



AGENDA

**REGULAR MEETING OF THE BOARD OF DIRECTORS
LA PUENTE VALLEY COUNTY WATER DISTRICT
112 N. FIRST STREET, LA PUENTE, CALIFORNIA
MONDAY, JANUARY 14, 2019 AT 5:30 PM**

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL OF BOARD OF DIRECTORS

President Rojas ____ Vice President Escalera ____ Director Barajas ____
Director Hastings ____ Director Hernandez ____

4. PUBLIC COMMENT

Anyone wishing to discuss items on the agenda or pertaining to the District may do so now. The Board may allow additional input during the meeting. A five-minute limit on remarks is requested.

5. ADOPTION OF AGENDA

Each item on the Agenda shall be deemed to include an appropriate motion, resolution or ordinance to take action on any item. Materials related to an item on this agenda submitted after distribution of the agenda packet are available for public review at the District office, located at the address listed above.

6. REORGANIZATION OF THE BOARD OF DIRECTORS

A. PRESIDENT

B. VICE PRESIDENT

7. APPROVAL OF CONSENT CALENDAR

There will be no separate discussion of Consent Calendar items as they are considered to be routine by the Board of Directors and will be adopted by one motion. If a member of the Board, staff, or public requests discussion on a particular item, that item will be removed from the Consent Calendar and considered separately.

- A. Approval of Minutes of the Regular Meeting of the Board of Directors held on December 18, 2018.
- B. Approval of District Expenses for the Month of December 2018.
- C. Approval of City of Industry Waterworks System Expenses for the Month of December 2018.

- D. Receive and File the District's Water Sales Report for December 2018.
- E. Receive and File the City of Industry Waterworks System's Water Sales Report for December 2018.
- F. Receive and File the Water Production and Conservation Report for December 2018.
- G. Receive and File the Report on Director Expenses for the Fourth Quarter of 2018.

8. PRESENTATION ON THE PUENTE VALLEY OPERABLE UNIT PROJECTS

9. ACTION / DISCUSSION ITEMS

- A. Consideration of Term Sheet for a Proposed Operation Services Agreement for the Puente Valley Operable Unit Shallow Zone South Project.
Recommendation: Authorize the General Manager to Execute the Term Sheet as Proposed.
- B. Approval of Attendance for Upcoming Conferences and Meetings.
Recommendation: Board Discretion.
- C. Discussion Regarding Current Ad Hoc Committee Assignments.
Recommendation: Board Discretion.
- D. Authorization of Annual Audit by Fedak & Brown LLP of District's Financial Statements for Year Ending December 31, 2018.
Recommendation: Authorize Fedak & Brown LLP to Perform the 2018 Financial Audit.
- E. Consideration of Resolution No. 259 Reestablishing the District's Investment Policy.
Recommendation: Adopt Resolution 259.
- F. Consideration of Investments of the District's Reserve Funds.
Recommendation: Approve the Transfer of \$152,000 of the District Reserve Funds to the District's Local Agency Investment Fund (LAIF) Account.
- G. Consideration of Proposal from Evoqua Water Technologies for the Replacement of Vapor Phase Carbon at the District's Groundwater Treatment Plant.
Recommendation: Authorize the General Manger to Proceed with the Work as Specified in the Proposal from Evoqua Water Technologies.

10. GENERAL MANAGER'S REPORT

11. OTHER ITEMS

- A. Upcoming Events.
- B. Information Items.

12. ATTORNEY’S COMMENTS

13. BOARD MEMBER COMMENTS

- A. Report on Events Attended.
- B. Other Comments.

14. FUTURE AGENDA ITEMS

15. ADJOURNMENT

POSTED: Friday, January 11, 2019

President William R Rojas, Presiding.

Any qualified person with a disability may request a disability-related accommodation as needed to participate fully in this public meeting. In order to make such a request, please contact Mr. Greg Galindo, Board Secretary, at (626) 330-2126 in sufficient time prior to the meeting to make the necessary arrangements.

Note: Agenda materials are available for public inspection at the District office or visit the District’s website at www.lapuentewater.com.



**MINUTES OF THE SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF THE
LA PUENTE VALLEY COUNTY WATER DISTRICT**

A special meeting of the Board of Directors of the La Puente Valley County Water District was held on Tuesday, December 18, 2018, at 5:30 p.m. at the District office, 112 N. First Street, La Puente, California.

Meeting Called to Order:

President Rojas called the meeting to order at 5:30 p.m.

Pledge of Allegiance:

President Rojas led the meeting in the Pledge of Allegiance.

Directors Present:

William Rojas, President; John Escalera, Vice President; Cesar Barajas, Director, David Hastings, Director; and Henry Hernandez, Director.

Staff Present:

Greg Galindo, General Manager; Gina Herrera, Office Manager; Roy Frausto, Engineering and Compliance Manager and Jim Ciampa, District Counsel.

Others Present:

None

Public Comment:

None

Adoption of Agenda:

President Rojas asked for the approval of the Agenda.

Motion by President Rojas, seconded by Director Hernandez, that the Agenda be adopted as presented.

Motion was approved by the following vote:

Ayes: Rojas, Escalera, Barajas, Hastings and Hernandez.

Nays: None.

Approval of the Consent Calendar:

A. Approval of Minutes of the Regular Meeting of the Board of Directors held on December 10, 2018.

B. Approval to Attend the Association of Ground Water Agencies AGWA – AGWT Annual Conference on Monday and Tuesday, February 11-12, 2019, in Ontario, CA.

Motion by President Rojas, seconded by Director Hastings, that the Agenda be adopted as presented.

Motion was approved by the following vote:

Ayes: Rojas, Escalera, Barajas, Hastings and Hernandez.

Nays: None.

Financial Reports:

A. Summary of Cash and Investments as of November 30, 2018.

- Mr. Galindo provided a summary of the balances in each account provided in the Summary of Cash and Investments as of November 30, 2018.

Motion by Vice President Escalera, seconded by President Rojas, to receive and file the Summary of Cash and Investments as of November 30, 2018, as presented.

Motion was approved by the following vote:

Ayes: Rojas, Escalera, Barajas, Hastings and Hernandez.

Nays: None.

B. Statement of the District's Revenues and Expenses as of November 30, 2018.

- Mrs. Herrera provided a revised version of the Statement of Revenues and Expenses for the District and explained that there was a formula calculation error on the Summary sheet, which has been corrected in the revised version. She then provided a brief summary and explained the budget to date balances for various accounts.

Motion by President Rojas, seconded by Director Hernandez, to receive and file the Statement of the District's Revenues and Expenses as of November 30, 2018, as presented.

Motion was approved by the following vote:

Ayes: Rojas, Escalera, Barajas, Hastings and Hernandez.

Nays: None.

C. Statement of the City of Industry Waterworks System's Revenues and Expenses as of November 30, 2018.

- Mrs. Herrera provided a summary of the Statement of Revenues and Expenses for the City of Industry Waterworks System and explained the budget to date balances for various accounts.

Motion by Director Hastings, seconded by Vice President Escalera, to receive and file the Statement of the City of Industry Waterworks System's Revenues and Expenses as of November 30, 2018, as presented.

Motion was approved by the following vote:

Ayes: Rojas, Escalera, Barajas, Hastings and Hernandez.

Nays: None.

Action/Discussion Items:

A. Consideration of Annual Cost of Living Adjustment (COLA) for District Employees.

- Mr. Galindo presented the information contained in his Staff Report on this item, that was provided in the Board Meeting Agenda packet.
- Mr. Galindo explained that last years' adopted employee cost of living adjustment was different than typical years as a result of the staff reorganization plan and adoption of a new salary schedule.
- Mr. Galindo reviewed the approved COLA's for past years and explained that his recommendation is based on the increase of the Consumer Price Index (CPI) for urban wage earners and clerical workers in our region and that the increase in the annual average of the CPI for our region is an estimated 3.98%.
- Mr. Galindo added that the cost for employee health benefits in 2019 will be within the standard rate of inflation.
- Mr. Galindo presented a revised Salary Schedule for all District positions that was adjusted by 3% from the adopted 2018 schedule.
- Mr. Galindo recommended a 3% COLA be applied to all employee salaries and to salary ranges for each position effective January 1, 2019.

- There was discussion amongst the Directors and Staff regarding how the COLA is applied and what the factors were in past years that the Board based previous decisions on.

After further discussion, it was motioned by Vice President Escalera, seconded by Director Hastings, to approve a 3% COLA to be applied to all employee salaries and to salary ranges for each position, effective January 1, 2019.

Motion was approved by the following vote:

Ayes: Rojas, Escalera, Barajas, Hastings and Hernandez.

Nays: None.

B. Review and Approve the proposed District Budget for Period Ending December 31, 2019.

- Mr. Galindo provided a presentation on the proposed 2019 District Budget document with the focus on parts of the budget that were not thoroughly reviewed during the Budget Workshop that was held at the previous Board meeting.
- Mr. Galindo reviewed each proposed capital improvement project and provided an alternative capital budget option than was on the draft budget document, with the proposed option including the Recycled Water Project and the alternative option being without the Recycled Water Project and a couple other capital projects.
- During the presentation there was much discussion amongst the Directors and Staff on the status of the Recycled Water Project and the specifics of various projects.
- Mr. Galindo stated the five-year rate increase plan is key to fund the projected needs of the District over the next five years.
- Mr. Galindo also reviewed the proposed budget document and the budget tables for the District and the District's Treatment Plant. He pointed out a few corrections on the proposed budget document that will be cleaned up and if approved a final copy will be distributed to the Board.

After further discussion, it was motioned by President Rojas, seconded by Director Hastings, to Approve the 2019 Proposed Budget for Period Ending December 31, 2019, with the revised budget for the 5th Street waterline capital improvement project and direct Staff to report back to the Board in February on the status of the Recycled Water Project.

Motion was approved by the following vote:

Ayes: Rojas, Escalera, Barajas, Hastings and Hernandez.

Nays: None.

Project Engineer Report:

- Mr. Frausto provided information on various items included in his monthly report.

After discussion on a few of the items included in Mr. Frausto's report, motion by Vice President Escalera, seconded by Director Hastings, to receive and file the Engineering and Compliance Manager's Report as presented.

Motion was approved by the following vote:

Ayes: Rojas, Escalera, Barajas, Hastings and Hernandez.

Nays: None.

General Manager's Report:

- Mr. Galindo had nothing to report.

Other Items:

A. Upcoming Events.

- Mrs. Herrera confirmed with the Directors their plans to attend the next event.

- B. Correspondence to the Board of Directors.**
- Included in the Board Meeting Agenda Packet.

Attorney's Comments:

- Mr. Ciampa reported that he participated in a webinar regarding a new federal law called the America's Water Infrastructures Act of 2018. He provided some information on the requirements of this new law that the District may need to comply with. He will be providing a summary to PWAG detailing the new requirements.

Board Member's Comments:

A. Report on Events Attended.

- President Rojas reported that he attended 1 event; SCWUA Annual Christmas Program.
- Vice President Escalera reported that he attended 1 event; SCWUA Annual Christmas Program.
- Director Hastings reported that he attended 1 event; SCWUA Annual Christmas Program.
- Director Hernandez reported that he attended 1 event; SCWUA Annual Christmas Program.

B. Other comments.

- None.

Future Agenda Items:

No future items.

Closed Session – Board entered closed session at 7:04 p.m.

Public Employee Performance Evaluation.

Position: General Manager.

Report on Closed session:

- Mr. Ciampa reported that the Board met tonight in closed session to perform a performance evaluation of the General Manager and the Board found the General Manager's performance to be satisfactory.

Additional Action/Discussion Item

Consideration of Compensation Adjustment and Extension of Employment Contract for the District's General Manager.

- Mr. Galindo provided a brief summary of his contract provisions related to term and compensation.
- President Rojas stated that he has surveyed other General Manger salaries for comparable water districts in Southern California and he found that the range of General Manager salaries was approximately \$129,000 to \$211,000 with the average being approximately \$172,000 and the General Manager's current salary was approximately \$151,000. President Rojas stated that he felt a 2% increase to the General Manager's salary would be appropriate.
- The Directors discussed the compensation for other water districts in the San Gabriel Valley and how the General Manager's salary compared.
- Mr. Galindo stated that he felt the Board has always been fair to him and he was not requesting any changes to his contract.
- Directors discussed a possible 2% to the General Manager's salary along with the COLA and what the salary would be with such an increase.

After further discussion, motion by President Rojas, seconded by Vice President Escalera, to approve a 2% increase to the General Manager's Salary in addition to the cost of living increase that was approved for all District employees.

Motion approved by the following vote:

Ayes: Hastings, Aguirre, Escalera, Rojas and Hernandez.

Nays: None.

Adjournment:

There is no further business or comment, the meeting was adjourned at 7:45 p.m.

William R. Rojas, President

Greg B. Galindo, Secretary

La Puente Water District December 2018 Disbursements

Check #	Payee	Amount	Description
6285	Aramark Uniform	\$ 447.32	Uniform Service
6286	Bank of America-Visa	\$ 436.21	Conference & Administrative Expenses
6287	CCSInteractive	\$ 54.40	Monthly Website Hosting
6288	Chevron	\$ 2,847.74	Truck Fuel
6289	Coverall North America Inc	\$ 255.00	Cleaning Service
6290	Doty Bros Equipment Co	\$ 17,449.00	Banbridge Pump Station Project
6291	EcoTech Services Inc	\$ 1,110.00	UHET Program
6292	Eurofins Eaton Analytical Inc	\$ 280.00	Water Sampling
6293	Highroad IT	\$ 402.00	Technical Support
6294	Industry Public Utilites	\$ 31,594.02	Web Payments
6295	Jesse's Auto Repair Inc	\$ 160.00	Truck Maintenance
6296	Lagerlof, Senecal, Gosney & Kruse	\$ 5,516.00	Attorney Fee's
6297	Merritt's Hardware	\$ 260.27	Field Supplies
6298	Resource Building Materials	\$ 125.11	Field Supplies
6299	SC Edison	\$ 3,818.90	Power Expense
6300	Time Warner Cable	\$ 279.89	Telephone Service
6301	Underground Service Alert	\$ 74.30	Line Notifications
6302	Valley Vista Services	\$ 314.72	Trash Service
6303	Verizon Wireless	\$ 301.74	Cellular Service
6304	Western Water Works	\$ 228.15	Field Supplies - Inventory
6305	Santiago E Loera Jr	\$ 251.82	Boot Allowance
6306	Time Warner Cable	\$ 568.49	Telephone Service
6307	Waste Management of SG Valley	\$ 198.37	Trash Service
6308	Eurofins Eaton Analytical Inc	\$ 360.00	Water Sampling
6309	Evoqua	\$ 89,200.67	Carbon Changeout
6310	Hach Company	\$ 3,068.02	Field Supplies - Compliance
6311	Konecranes	\$ 329.00	Quarterly Inspection & Maintenance
6312	Merritt's Hardware	\$ 225.41	Field Supplies
6313	Northstar Chemical	\$ 10,154.49	Chemicals Expense
6314	NuConcepts	\$ 113.28	Water Pump
6315	Peck Road Gravel	\$ 169.18	Asphalt & Concrete Disposal
6316	State Water Resource Control Board	\$ 13,615.00	Annual Permit Fee's
6317	Weck Laboratories Inc	\$ 3,613.00	Water Sampling
6318	Weck Laboratories Inc	\$ 1,200.50	Water Sampling
6319	A & A Upholstery	\$ 475.00	Truck Maintenance
6320	Henry P Hernandez	\$ 882.83	ACWA Fall Conference Expenses
6321	Keith R Bowman	\$ 317.50	Boot Allowance
6322	Industry Hills Expo Center	\$ 198.00	Administrative Expense
6323	A & A Upholstery	\$ 250.00	Truck Maintenance
6324	A & A Upholstery	\$ 225.00	Truck Maintenance
6325	Old World Delicatesens	\$ 1,200.00	Administrative Expense
6326	So Cal Water Utilities Association	\$ 150.00	Seminar Expense

La Puente Water District December 2018 Disbursements - continued

Check #	Payee	Amount	Description
6327	Old World Delicatessens	\$ 831.99	Administrative Expense
6328	Miguel A Molina	\$ 50.00	Water Use Efficiency Renewal
6329	A & A Upholstery	\$ 200.00	Truck Maintenance
6330	Aramark Uniform	\$ 74.56	Uniform Service
6331	CalPERS	\$ 31,250.00	Unfunded Accrual Liability
6332	E & M Tech Support	\$ 4,848.00	Technical Support & Software
6333	Ed Butts Ford	\$ 1,769.42	Truck Maintenance
6334	Eurofins Eaton Analytical Inc	\$ 160.00	Water Sampling
6335	Ferguson Enterprises Inc #1350	\$ 39.98	Field Supplies
6336	Hacienda Lawnmower	\$ 16.19	Equipment Maintenance
6337	InfoSend	\$ 875.80	Billing Expense
6338	Jack Henry & Associates	\$ 41.63	Web E-Check Fee's
6339	MJM Communications & Fire	\$ 910.00	Security Monitoring
6340	San Gabriel Valley Water Company	\$ 188.39	Restroom Service @ Treatment Plant
6341	SC Edison	\$ 105.56	Power Expense
6342	Time Warner Cable	\$ 301.08	Telephone Service
6343	Vulcan Materials Company	\$ 345.20	Field Supplies - Asphalt
6344	Weck Laboratories Inc	\$ 404.50	Water Sampling
6345	Western Water Works	\$ 701.01	Field Supplies - Inventory
6346	Irri-Care Plumbing & Backflow Testing	\$ 65.00	Backflow Testing
6347	So Cal Industries	\$ 141.00	Water Service @ Treatment Plant
6348	Albert J Vazquez	\$ 213.14	Boot Allowance
6349	Bank of America-Visa	\$ 591.37	Conference & Administrative Expenses
6350	Citi Cards	\$ 819.70	Conference & Administrative Expenses
6351	Downs Energy Inc	\$ 641.14	Booster Maintenance
6352	Hach Company	\$ 166.66	Field Supplies
6353	InfoSend	\$ 4,270.82	Prop 2018 Expense
6354	Staples	\$ 461.79	Office Supplies
6355	So Cal Water Utilities Association	\$ 25.00	Seminar Expense
6356	JR's Environmental Services	\$ 1,995.00	Calibration Report
6357	Allied Enterprises	\$ 1,437.00	Construction Meter Refund
6358	Aramark Uniform	\$ 74.56	Uniform Service
6359	Cell Business Equipment	\$ 43.73	Office Expense
6360	Eurofins Eaton Analytical Inc	\$ 80.00	Water Sampling
6361	Highroad IT	\$ 137.50	Office Software
6362	Lagerlof, Senecal, Gosney & Kruse	\$ 3,007.50	Attorney Fee's
6363	Platinum Consulting Group	\$ 468.31	Administrative Support
6364	Ready Artwork	\$ 1,200.00	Website Expense
6365	Resource Building Materials	\$ 202.36	Banbridge Pump Station Project
6366	S & J Supply Co Inc	\$ 356.71	Field Supplies - Inventory
6367	The Lighthouse Inc	\$ 990.00	Truck Maintenance
6368	Verizon Wireless	\$ 373.73	Cellular Service

La Puente Water District December 2018 Disbursements - continued

Check #	Payee	Amount	Description
6369	SC Edison	\$ 27,936.20	Power Expense
6370	Verizon Wireless	\$ 76.02	Cellular Service
6371	Petty Cash	\$ 2.84	TP Expenses
6372	Petty Cash	\$ 144.90	Office/Field Expense
Online	Home Depot	\$ 957.00	Field Supplies
Autodeduct	Bluefin Payment Systems	\$ 834.35	Web Merchant Fee's
Autodeduct	Wells Fargo	\$ 236.29	Bank Fee's
Autodeduct	Wells Fargo	\$ 161.16	Merchant Fee's
Autodeduct	First Data Global Leasing	\$ 43.80	Credit Card Machine Lease
Online	Lincoln Financial Group	\$ 3,470.00	Deferred Comp
Online	CalPERS	\$ 12,373.09	Retirement Program
Online	Employment Development Dept	\$ 5,241.98	California State & Unemployment Taxes
Online	United States Treasury	\$ 28,262.08	Federal, Social Security & Medicare Taxes
	Total Payables	<u>\$ 333,335.37</u>	

La Puente Valley County Water District
Payroll Summary
December 2018

	December 2018
Employee Wages, Taxes and Adjustments	
Gross Pay	
Total Gross Pay	122,738.15
Deductions from Gross Pay	
Total Deductions from Gross Pay	-4,618.30
Adjusted Gross Pay	118,119.85
Taxes Withheld	
Federal Withholding	-11,344.00
Medicare Employee	-1,782.25
Social Security Employee	-6,676.79
CA - Withholding	-5,241.98
Medicare Employee Addl Tax	0.00
Total Taxes Withheld	-25,045.02
Net Pay	93,074.83
Employer Taxes and Contributions	
Total Employer Taxes and Contributions	8,636.04

La Puente Water District December 2018 Disbursements

Total Vendor Payables	\$ <u>333,335.37</u>
Total Payroll	\$ <u>93,074.83</u>
Total December 2018 Disbursements	\$ <u>426,410.20</u>

Invoice No. 4- 2018-12



January 1, 2019

BPOU Project Committee Members

RE: BPOU O & M Expense Reimbursement Summary

The following cost breakdown represents O & M expenses incurred by the LPVCWD for the month of December 2018.

<u>BPOU Acct No.</u>	<u>Description</u>	<u>Invoice No.</u>	<u>Vendor</u>	<u>Amount</u>	<u>Subtotal</u>	
LP.02.01.01.00	Power	2-15-629-6188	SC Edison	\$ 14,623.68		
		2-03-187-2179	SC Edison	\$ 13,312.52	\$ 27,936.20	
LP.02.01.02.00	Labor Costs	Dec-18	LPVCWD	\$ 19,411.53	\$ 19,411.53	
LP.02.01.05.00	Transportation	Dec-18	LPVCWD - 1259 miles @ .545	\$ 686.16	\$ 686.16	
LP .02.01.07.00	Water Testing	L0425905	Eurofins	\$ 80.00		
		L0426838	Eurofins	\$ 120.00		
		L0428201	Eurofins	\$ 40.00		
		L0429367	Eurofins	\$ 80.00		
		W8K1744	Weck Labs	\$ 200.00		
		W8K1746	Weck Labs	\$ 169.00		
		W8K1820	Weck Labs	\$ 315.75		
		W8K1844	Weck Labs	\$ 169.00		
		W8K1930	Weck Labs	\$ 200.00		
		W8L0242	Weck Labs	\$ 56.00		
		W8L0328	Weck Labs	\$ 56.00		
		W8L0507	Weck Labs	\$ 169.00		
		W8L0571	Weck Labs	\$ 200.00		
		W8L0583	Weck Labs	\$ 298.00		
		W8L0584	Weck Labs	\$ 298.00		
		W8L1066	Weck Labs	\$ 200.00		
		W8L1218	Weck Labs	\$ 210.75		
		W8L1219	Weck Labs	\$ 169.00		
		W8L1302	Weck Labs	\$ 200.00		
		W8L1440	Weck Labs	\$ 56.00		
		W8L1795	Weck Labs	\$ 562.00		
		W8L1797	Weck Labs	\$ 169.00		
		W9A0055	Weck Labs	\$ 210.75		
		W9A0077	Weck Labs	\$ 56.00		
W9A0078	Weck Labs	\$ 37.00				
W9A0112	Weck Labs	\$ 56.00	\$ 4,377.25			
LP.02.01.10.00	Operations Monitoring	330507	E&M Electric & Machinery Inc	\$ 2,727.00		
		9462; 12/18	Spectrum	\$ 268.49		
		2906; 12/18	Spectrum	\$ 300.00		
		9820372709	Verizon	\$ 76.02	\$ 3,371.51	
<u>LP.02.01.12.00</u>	<u>Materials/Supplies</u>					
LP.02.01.12.02	Filter Cartridges	96185828	Pall Corporation	\$ 3,054.96		
		96188841	Pall Corporation	\$ 7,138.15		
		96355912	Pall Corporation	\$ 10,035.52	\$ 20,228.63	
LP.02.01.12.06	Sodium Hypochlorite	135996	Northstar Chemical	\$ 1,795.69		
		137044	Northstar Chemical	\$ 1,840.99	\$ 3,636.68	
LP.02.01.12.15	Other Expendables	11272665	HACH	\$ 959.73		
		11275718	HACH	\$ 604.90		
		7535240	Home Depot	\$ 109.46		
		109411	Merritt's	\$ 4.37		
		771022	USA Bluebook	\$ 235.94	\$ 1,914.40	
LP.02.01.12.18	Ion Exchange Resin/Includes Disposal	903799929	Evoqua	\$ 5,840.64	\$ 5,840.64	
LP.02.01.12.17	Sulfuric Acid	136772	Northstar Chemical	\$ 1,868.25	\$ 1,868.25	
LP.02.01.14.00	Repair/Replacement	0243484-IN	Downs Energy	\$ 320.57		
		9336	Irri-Care	\$ 65.00	\$ 385.57	
LP.02.01.15.00	Contractor Labor	725	JR's Environmental Services	\$ 1,995.00		
		983187	Locus Technologies	\$ 840.00	\$ 2,835.00	
LP.02.01.80.00	Other O & M	20240	Highroad Information Technology	\$ 134.00		
		19756	MJM Communications	\$ 564.20		
		08/18-12/18	Petty Cash	\$ 2.84		
		357251	So Cal Industries	\$ 141.00		
		9794331926	Staples	\$ 64.04		
		0488961-2519-1	Waste Management	\$ 198.37	\$ 1,104.45	
		Total Expenditures				\$ 93,596.27
		District Pumping Cost Deduction				\$ 14,920.71
		Total O & M				\$ 78,675.56
		Total Capital Cost Reimbursable				\$ -
TOTAL COSTS REIMBURSABLE				\$ 78,675.56		

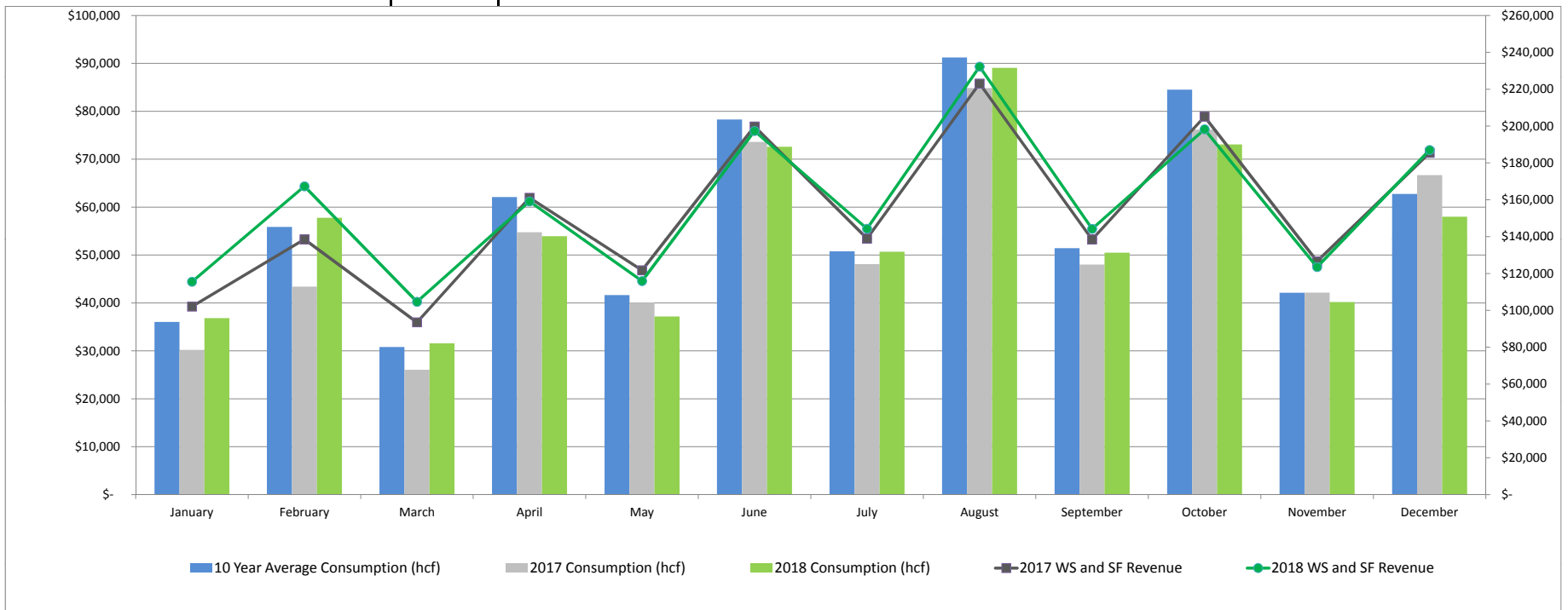
Industry Public Utilities December 2018 Disbursements

Check #	Payee	Amount	Description
3329	CCSInteractive	\$ 13.60	Monthly Website Hosting
3330	Ferguson Enterprises Inc #1350	\$ 20.41	Field Supplies
3331	Highroad IT	\$ 268.00	Technical Support
3332	La Puente Valley County Water District	\$ 56,993.39	Labor Costs November 2018
3333	Merritt's Hardware	\$ 220.56	Field Supplies
3334	Peck Road Gravel	\$ 240.00	Asphalt & Concrete Disposal
3335	SC Edison	\$ 1,422.82	Power Expense
3336	State Water Resource Control Board	\$ 550.00	Annual Permit Fee's
3337	Sunbelt Rentals	\$ 230.97	Equipment Rental
3338	Time Warner Cable	\$ 51.77	Telephone Service
3339	Time Warner Cable	\$ 279.88	Telephone Service
3340	Underground Service Alert	\$ 74.30	Line Notifications
3341	Verizon Wireless	\$ 301.73	Cellular Service
3342	Weck Laboratories Inc	\$ 107.50	Water Sampling
3343	Western Water Works	\$ 228.14	Field Supplies
3344	Civiltec Engineering Inc	\$ 1,500.00	Engineering Services
3345	E & M Tech Support	\$ 1,212.00	Technical Support & Software
3346	InfoSend	\$ 704.59	Billing Expense
3347	Jack Henry & Associates	\$ 41.62	Web E-Check Fee's
3348	La Puente Valley County Water District	\$ 535.31	Web CC & Bank Fee's Reimbursement
3349	Peck Road Gravel	\$ 720.00	Asphalt & Concrete Disposal
3350	SoCal Gas	\$ 20.27	Gas Expense
3351	Vulcan Materials Company	\$ 345.19	Field Supplies - Asphalt
3352	Weck Laboratories Inc	\$ 230.00	Water Sampling
3353	Downs Energy Inc	\$ 641.14	Booster Maintenance
3354	Ferguson Enterprises Inc #1350	\$ 23.86	Field Supplies
3355	Hach Company	\$ 166.65	Field Supplies
3356	Industry Public Utility Commission	\$ 843.84	Industry Hills Power Expense
3357	La Puente Valley County Water District	\$ 46,427.85	O&M Fee's 4th Quarter 2018
3358	S & J Supply Co Inc	\$ 442.26	Developer Project Expense
3359	San Gabriel Valley Water Company	\$ 1,815.31	Purchased Water - Salt Lake
3360	Staples	\$ 461.79	Office Supplies
3361	RIF I - Valley Blvd LLC	\$ 78.11	Customer Overpayment Refund
3362	Cell Business Equipment	\$ 43.72	Office Expense
3363	EcoTech Services Inc	\$ 975.00	UHET Program
3364	Highroad IT	\$ 137.50	Office Software
3365	Platinum Consulting Group	\$ 284.25	Administrative Support
3366	SC Edison	\$ 7,007.47	Power Expense
3367	SoCal Gas	\$ 14.79	Gas Expense
3368	Time Warner Cable	\$ 76.16	Telephone Service
3369	Verizon Wireless	\$ 373.72	Cellular Service
Online	Home Depot	\$ 389.78	Field Supplies
Online	County of LA Dept of Public Works	\$ 535.00	Permit Fee's
Autodeduct	Wells Fargo Merchant Fee's	\$ 91.41	Merchant Fee's
Autodeduct	First Data Global Leasing	\$ 43.80	Credit Card Machine Lease - Monthly

Total December 2018 Disbursements \$ 127,185.46

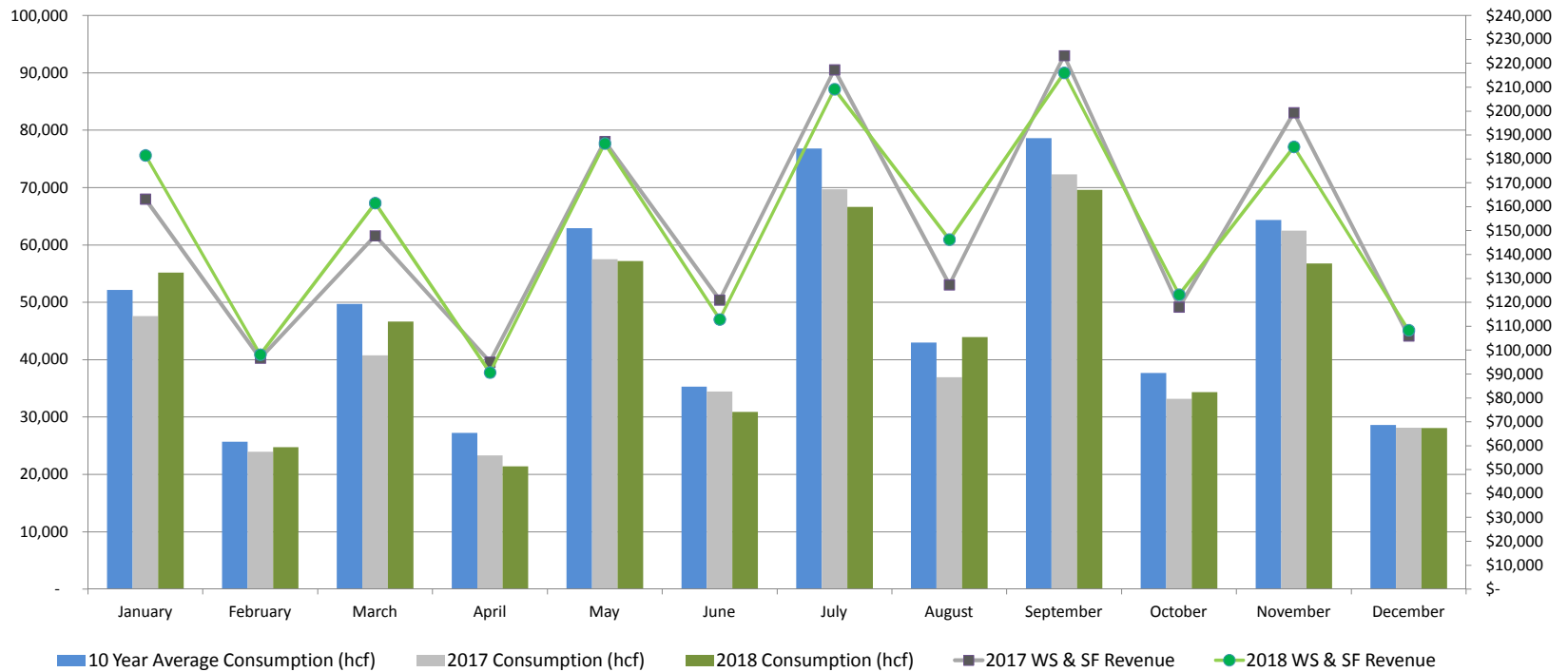
WATER SALES REPORT LPVCWD 2018

LPVCWD	January	February	March	April	May	June	July	August	September	October	November	December	YTD
No. of Customers	1,187	1,218	1,188	1,217	1,187	1,221	1,203	1,222	1,204	1,221	1,211	1,218	14,497
2018 Consumption (hcf)	36,839	57,769	31,582	53,940	37,166	72,607	50,689	89,071	50,507	73,082	40,207	57,995	651,454
2017 Consumption (hcf)	30,207	43,404	26,046	54,765	40,068	73,619	48,095	84,860	48,029	76,182	42,166	66,673	634,114
10 Year Average Consumption (hcf)	\$ 36,050	\$ 55,866	\$ 30,802	\$ 62,113	\$ 41,650	\$ 78,283	\$ 50,788	\$ 91,226	\$ 51,439	\$ 84,521	\$ 42,118	\$ 62,759	\$ 687,613
2018 Water Sales	\$ 69,913	\$ 112,965	\$ 58,990	\$ 104,919	\$ 70,362	\$ 143,162	\$ 98,276	\$ 177,901	\$ 97,825	\$ 144,055	\$ 76,825	\$ 127,800	\$ 1,282,993
2017 Water Sales	\$ 56,237	\$ 83,965	\$ 47,979	\$ 106,562	\$ 76,176	\$ 145,325	\$ 93,326	\$ 168,492	\$ 92,909	\$ 150,737	\$ 80,914	\$ 130,894	\$ 1,233,515
2018 Service Fees	\$ 45,632	\$ 54,334	\$ 45,639	\$ 54,197	\$ 45,559	\$ 54,170	\$ 46,022	\$ 54,374	\$ 46,411	\$ 54,214	\$ 46,683	\$ 59,214	\$ 606,450
2017 Service Fees	\$ 45,815	\$ 54,553	\$ 45,542	\$ 54,533	\$ 45,577	\$ 54,454	\$ 45,633	\$ 54,565	\$ 45,587	\$ 54,372	\$ 45,684	\$ 54,581	\$ 600,896
2018 Hyd Fees	\$ 950	\$ 950	\$ 950	\$ 950	\$ 950	\$ 950	\$ 950	\$ 950	\$ 950	\$ 950	\$ 950	\$ 950	\$ 11,400
2018 DC Fees	\$ 380	\$ 7,014	\$ 380	\$ 7,011	\$ 380	\$ 7,185	\$ 380	\$ 7,185	\$ 380	\$ 7,249	\$ 380	\$ 8,116	\$ 46,040
2018 System Revenue	\$ 116,875	\$ 175,262	\$ 105,960	\$ 167,077	\$ 117,250	\$ 205,467	\$ 145,629	\$ 240,411	\$ 145,566	\$ 206,467	\$ 124,838	\$ 196,080	\$ 1,946,883



WATER SALES REPORT CIWS 2018

CIWS	January	February	March	April	May	June	July	August	September	October	November	December	YTD
No. of Customers	961	847	963	848	965	850	959	891	962	892	958	893	10,989
2018 Consumption (hcf)	55,160	24,734	46,635	21,410	57,209	30,877	66,614	43,940	69,576	34,354	56,777	28,093	535,379
2017 Consumption (hcf)	47,606	23,933	40,733	23,336	57,513	34,474	69,686	36,950	72,321	33,163	62,483	28,124	530,322
10 Year Average Consumption (hcf)	52,133	25,721	49,729	27,220	62,926	35,272	76,828	42,964	78,623	37,699	64,377	28,600	582,093
2018 Water Sales	\$ 124,508	\$ 54,277	\$ 104,414	\$ 46,762	\$ 129,277	\$ 68,907	\$ 153,224	\$ 99,809	\$ 160,133	\$ 76,780	\$ 129,177	\$ 61,940	\$ 1,209,208
2017 Water Sales	\$ 106,782	\$ 52,614	\$ 90,766	\$ 51,161	\$ 130,423	\$ 76,908	\$ 160,292	\$ 83,374	\$ 166,132	\$ 74,033	\$ 142,362	\$ 62,048	\$ 1,196,894
2018 Service Fees	\$ 56,999	\$ 43,875	\$ 57,130	\$ 43,906	\$ 57,211	\$ 43,952	\$ 55,964	\$ 46,469	\$ 55,888	\$ 46,461	\$ 55,903	\$ 46,410	\$ 610,166
2017 Service Fees	\$ 56,427	\$ 44,029	\$ 57,111	\$ 43,894	\$ 56,897	\$ 44,106	\$ 57,029	\$ 43,972	\$ 57,093	\$ 44,011	\$ 56,981	\$ 43,910	\$ 605,458
2018 Hyd Fees	\$ 1,575	\$ 225	\$ 1,575	\$ 225	\$ 1,575	\$ 225	\$ 1,550	\$ 250	\$ 1,550	\$ 250	\$ 1,550	\$ 250	\$ 10,800
2018 DC Fees	\$ 11,593	\$ 2,511	\$ 11,593	\$ 2,511	\$ 11,593	\$ 2,640	\$ 11,474	\$ 3,742	\$ 11,545	\$ 3,695	\$ 11,593	\$ 3,695	\$ 88,184
2018 System Revenues	\$ 194,675	\$ 100,887	\$ 174,713	\$ 93,403	\$ 199,656	\$ 115,725	\$ 222,212	\$ 150,270	\$ 229,116	\$ 127,186	\$ 198,222	\$ 112,294	\$ 1,918,358



La Puente Valley County Water District

PRODUCTION REPORT - DECEMBER 2018

LPVCWD PRODUCTION	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2018 YTD	2017
Well No. 2	4.37	4.85	5.71	0.00	4.74	4.00	18.34	10.21	92.83	6.65	0.62	0.91	153.22	191.09
Well No. 3	5.08	5.59	6.61	0.00	5.54	4.69	22.09	3.07	0.76	0.00	0.64	0.61	54.67	222.47
Well No. 5	291.98	273.48	319.24	300.50	315.32	308.42	291.21	280.74	137.14	314.80	303.82	327.13	3463.77	3092.85
Interconnections to LPVCWD	13.62	2.49	2.22	1.37	2.32	2.09	2.44	5.34	9.90	2.04	2.73	1.37	47.93	50.65
Subtotal	315.05	286.40	333.78	301.87	327.92	319.20	334.07	299.36	240.63	323.48	307.81	330.02	3719.59	3557.06
Interconnections to SWS	211.74	186.47	226.17	169.39	190.00	166.32	160.52	126.10	74.53	189.69	182.57	225.48	2108.97	2028.85
Interconnections to COI	1.16	0.84	7.82	3.69	0.13	0.38	0.73	1.03	2.32	1.24	1.99	1.90	23.23	60.26
Interconnections to Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal	212.90	187.31	233.99	173.08	190.13	166.70	161.25	127.13	76.85	190.93	184.56	227.38	2132.20	2089.11
Total Production for LPVCWD	102.15	99.09	99.80	128.79	137.79	152.50	172.82	172.23	163.78	132.56	123.25	102.64	1587.39	1467.95
CIWS PRODUCTION														
COI Well No. 5 To SGVCW B5	142.85	126.12	127.30	137.73	143.62	137.77	144.20	134.27	132.14	136.37	131.71	77.86	1571.94	1723.57
Interconnections to CIWS														
SGVWC Salt Lake Ave	0.68	0.61	0.62	0.62	0.67	0.75	0.86	1.05	1.11	1.05	0.99	0.97	9.98	9.13
SGVWC Lomas Ave	103.21	85.82	71.95	98.27	113.98	124.71	145.67	145.84	131.90	109.42	101.86	84.55	1317.18	1274.06
SGVWC Workman Mill Rd	0.31	0.21	0.09	0.05	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.69	1.88
Interconnections from LPVCWD	1.16	0.84	7.82	3.69	0.13	0.38	0.73	1.03	2.32	1.24	1.99	1.90	23.23	60.26
Subtotal	105.36	87.48	80.48	102.63	114.80	125.84	147.26	147.92	135.33	111.71	104.84	87.43	1351.08	1345.33
Interconnections to LPVCWD	13.44	2.49	2.22	1.37	2.32	2.09	2.44	5.34	9.90	2.04	2.73	1.37	47.75	49.89
Total Production for CIWS	91.92	84.99	78.26	101.26	112.48	123.75	144.82	142.58	125.43	109.67	102.11	86.06	1303.33	1295.44

La Puente Valley County Water District - Water System Demand Comparison

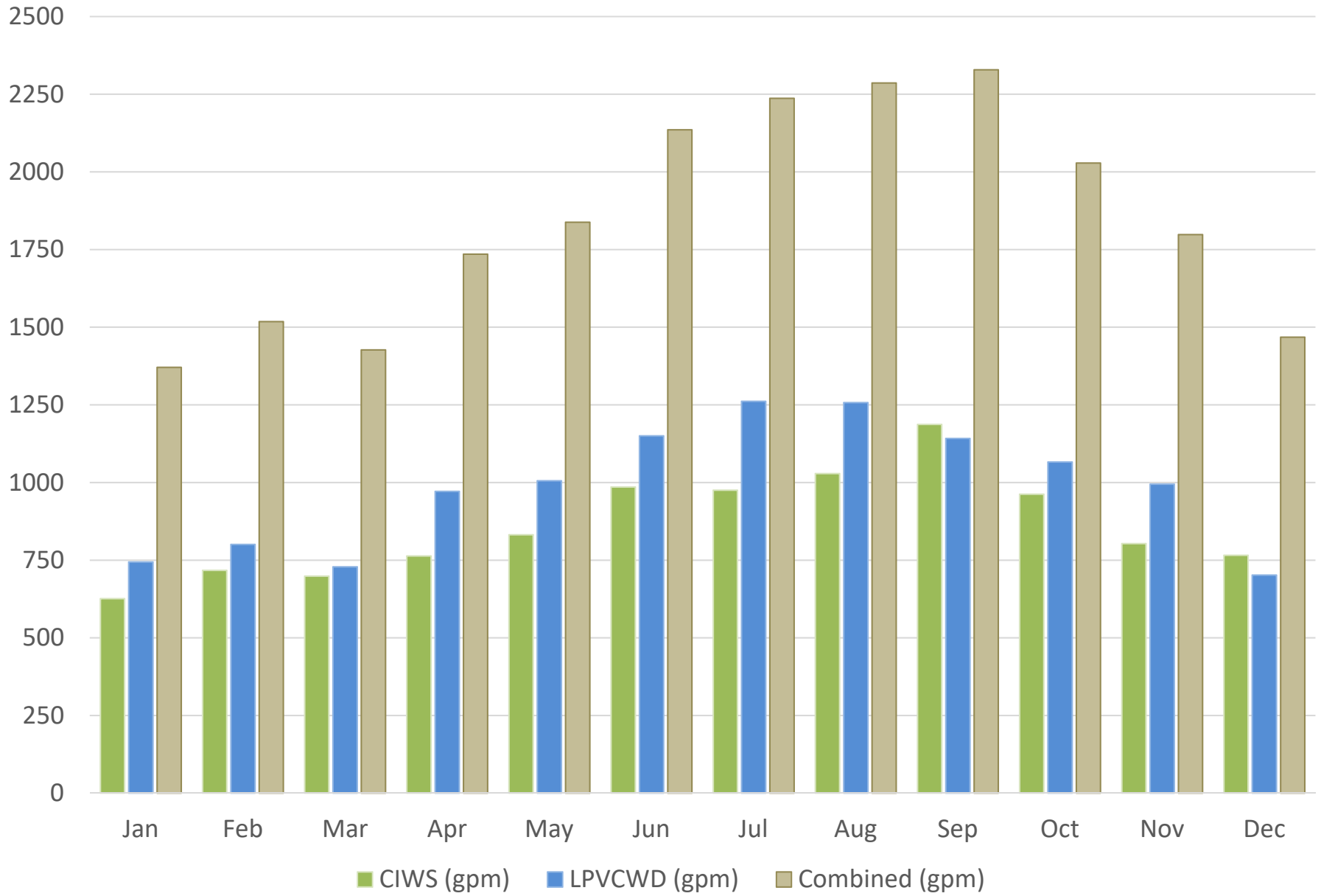
Month	2013	2018	Difference 2018-2013 (%)	Accumulative Difference (%)
January	115.58	101.97	-11.8%	-11.8%
February	112.08	99.09	-11.6%	-11.7%
March	135.08	99.80	-26.1%	-17.1%
April	153.73	128.79	-16.2%	-16.8%
May	174.40	137.79	-21.0%	-17.9%
June	185.13	152.50	-17.6%	-17.8%
July	204.48	172.82	-15.5%	-17.4%
August	201.38	172.23	-14.5%	-16.9%
September	187.60	163.78	-12.7%	-16.4%
October	172.74	132.56	-23.3%	-17.1%
November	139.24	123.25	-11.5%	-16.7%
December	133.13	102.64	-22.9%	-17.1%
Totals	1914.57	1587.21		

City of Industry Waterworks - Water System Demand Comparison

Month	2013	2018	Difference 2018-2013 (%)	Accumulative Difference (%)
January	90.55	91.92	1.5%	1.5%
February	81.62	84.99	4.1%	2.8%
March	99.4	78.26	-21.3%	-6.0%
April	115.82	101.26	-12.6%	-8.0%
May	147.93	112.48	-24.0%	-12.4%
June	152.60	123.75	-18.9%	-13.8%
July	141.36	144.82	2.4%	-11.1%
August	153.97	142.58	-7.4%	-10.5%
September	151.67	125.43	-17.3%	-11.4%
October	137.26	109.67	-20.1%	-12.3%
November	110.83	102.11	-7.9%	-12.0%
December	99.84	86.06	-13.8%	-12.1%
Totals	1482.85	1303.33		

Production data shown in acre feet (AF)

2018 Average Monthly Flow Rate Demand



**La Puente Valley County Water District
Board of Directors 4th Quarter 2018 Expenses**

Date	Director	Description	Amount
10/30/2018	Charles Aguirre	AWWA CA-NV 2018 Fall Conference Mileage	\$ 153.15
10/30/2018	Charles Aguirre	AWWA CA-NV 2018 Fall Conference Expenses	\$ 898.53
11/15/2018	Charles Aguirre	SCWUA	\$ 30.00
Oct-Dec 2018	Charles Aguirre	9 Days of Service	\$ 1,395.99
5562-CA · Charles Aguirre - Total \$			2,477.67
Oct-Dec 2018	Cesar Barajas	2 Days of Service	\$ 310.22
5562-CB · Cesar Barajas - Total \$			310.22
10/31/2018	David Hastings	SGVWA	\$ 30.00
11/15/2018	David Hastings	SCWUA	\$ 30.00
12/12/2018	David Hastings	SCWUA	\$ 35.00
Oct-Dec 2018	David Hastings	9 Days of Service	\$ 1,395.99
5562-DH · David Hastings - Total \$			1,490.99
10/04/2018	Henry P Hernandez	CSDA 2018 Annual Conference Mileage	\$ 118.81
10/04/2018	Henry P Hernandez	CSDA 2018 Annual Conference Expenses	\$ 623.70
10/30/2018	Henry P Hernandez	AWWA CA-NV 2018 Fall Conference Mileage	\$ 109.00
10/30/2018	Henry P Hernandez	AWWA CA-NV 2018 Fall Conference Expenses	\$ 652.56
10/31/2018	Henry P Hernandez	ACWA 2018 Fall Conference Expenses	\$ 555.00
12/06/2018	Henry P Hernandez	ACWA 2018 Fall Conference Mileage	\$ 126.44
12/06/2018	Henry P Hernandez	ACWA 2018 Fall Conference Expenses	\$ 756.39
12/12/2018	Henry P Hernandez	SCWUA	\$ 35.00
Oct-Dec 2018	Henry P Hernandez	15 Days of Service	\$ 2,326.65
5562-HH · Henry Hernandez - Total \$			5,303.55
10/02/2018	John P Escalera	CSDA 2018 Annual Conference Mileage	\$ 136.25
10/02/2018	John P Escalera	CSDA 2018 Annual Conference Expenses	\$ 491.91
10/17/2018	John P Escalera	SCWUA	\$ 30.00
10/30/2018	John P Escalera	AWWA CA-NV 2018 Fall Conference Mileage	\$ 130.80
10/30/2018	John P Escalera	AWWA CA-NV 2018 Fall Conference Expenses	\$ 635.93
10/31/2018	John P Escalera	SGVWA	\$ 30.00
11/15/2018	John P Escalera	SCWUA	\$ 30.00
12/12/2018	John P Escalera	SCWUA	\$ 35.00
Oct-Dec 2018	John P Escalera	15 Days of Service	\$ 2,326.65
5562-JE · John Escalera - Total \$			3,846.54
10/02/2018	William R Rojas	CSDA 2018 Annual Conference Mileage	\$ 114.45
10/02/2018	William R Rojas	CSDA 2018 Annual Conference Expenses	\$ 451.46
10/17/2018	William R Rojas	SCWUA	\$ 30.00
10/30/2018	William R Rojas	AWWA CA-NV 2018 Fall Conference Mileage	\$ 109.00
10/30/2018	William R Rojas	AWWA CA-NV 2018 Fall Conference Expenses	\$ 555.30
10/31/2018	William R Rojas	SGVWA	\$ 30.00
10/31/2018	William R Rojas	ACWA 2018 Fall Conference Expenses	\$ 159.89
11/15/2018	William R Rojas	SCWUA	\$ 30.00
11/30/2018	William R Rojas	ACWA 2018 Fall Conference Expenses	\$ 240.89
12/12/2018	William R Rojas	SCWUA	\$ 35.00
Oct-Dec 2018	William R Rojas	18 Days of Service	\$ 2,791.98
5562-WR · William (Bill) Rojas - Total \$			4,547.97
Totals			\$ 17,976.94

STAFF REPORT



Meeting Date: January 14, 2019
To: Honorable Board of Directors
From: Greg B. Galindo, General Manager
Subject: Puente Valley Operable Unit Shallow Zone South Project Term Sheet

Purpose - *Establish general terms in which the District will negotiate an Operation Services Agreement to be responsible for staffing and operating the Puente Valley Operable Unit Shallow Zone South (PVOU SZS) Treatment System and maintaining the Treatment System to meet all applicable standards and permit requirements.*

Recommendation - *Authorize the General Manager to Execute the Term Sheet for a Proposed Operation Services Agreement for the Puente Valley Operable Unit Shallow Zone South Project.*

Fiscal Impact - *The District shall be reimbursed or compensated for all costs related to its involvement with the PVOU SZS Project. Beginning sometime in 2021, the District anticipates a modest annual revenue from the PVOU SZS treatment plant operations services.*

Summary

The United States Environmental Protection Agency (EPA) under an Administrative Order for Remedial Design and Remedial Action is requiring Northrop Grumman to perform the interim remedial design and remedial action for the PVOU SZS. Under EPA oversight, Northrop Grumman plans to operate groundwater extraction wells designed to produce water to remove contamination and to mitigate contaminated plume migration. Water from these wells will be treated at a new Treatment Plant located at 111 Hudson Avenue, City of Industry that will be constructed by Northrop Grumman. The Treatment Plant will reside on a portion of the same parcel as the Puente Valley Operable Unit Intermediate Zone (PVOU IZ) Treatment Facility. The District entered into an Agreement with Northrop Grumman in January of 2018 to operate the PVOU IZ Treatment Facility.

The proposed PVOU SZS Treatment System shall produce water in accordance with cleanup performance objectives for SZ-South, as determined by EPA. The system will be designed to extract and treat a minimum flow rate of about 50 gallons per minute (gpm) and up to a maximum of 300 gpm. The anticipated range of operational treatment flow rates has been estimated by groundwater modeling, with an estimated minimum and maximum operational flow of 50 and 100 gpm, respectively. To maximize cleanup performance, the goal is to operate on a continuous basis (24 hours a day, 7 days a week). Treated water will be delivered for surface water discharge to San Jose Creek.

Since the proposed SZS Treatment System will be located on the same parcel as the PVOU IZ Treatment System Facility and the treatment technology that will be used is very similar to that of PVOU IZ and the District's current groundwater treatment facility, the District is a logical choice to be the operator of the SZS System.

At the January 14th Board of Directors meeting, a presentation on the PVOU IZ and SZS projects will be provided that will include more information on the design of each system and their respective project schedules. Staff will also review sections of the proposed Term Sheet to provide a comprehensive explanation of how the proposed action will be a benefit to the District.

Fiscal Impact

The District shall be reimbursed or compensated for all costs related to its involvement with the PVOU SZS Project. Beginning sometime in 2021, the District anticipates a modest annual revenue from the PVOU SZS treatment plant operations services.

All necessary cost related to the operation of the PVOU SZS Treatment Facility shall be reimbursed by Northrop. Staff is certain that the District's involvement will result in a positive financial impact for the District's Customers.

Recommendation

Staff recommends the Board authorize the General Manager to Execute the Term Sheet for a Proposed Operation Services Agreement for the Puente Valley Operable Unit Shallow Zone South Project.

Respectfully Submitted,

Greg B. Galindo

General Manager

Enclosure

- Term Sheet for a Proposed Operation Services Agreement for the Puente Valley Operable Unit Shallow Zone South Project.

January 14, 2019

Term Sheet

Proposed Operation Services Agreement

Puente Valley Operable Unit

Shallow Zone South of Puente Creek Project

La Puente Valley County Water District

and

Northrop Grumman Systems Corporation

This Term Sheet sets forth the general terms upon which the parties would agree to operate the Puente Valley Operable Unit Shallow Zone South of Puente Creek Water Treatment System. The provisions of this Term Sheet are for discussion purposes only, to facilitate negotiations, and are not binding on any party until a separate fully negotiated formal agreement is executed on behalf of the parties by their authorized signatories.

Defined Terms

Operation Services Agreement – Contractual arrangement between La Puente Valley County Water District (LPVCWD) and Northrop Grumman Systems Corporation (Northrop Grumman) for LPVCWD to operate and maintain the Treatment System in accordance with best industry practice and to ensure that the Treatment System is capable of operating on a near continuous basis in accordance with the design rates of flow

Treatment Plant – That part of the Shallow Zone South of Puente Creek (SZ-South) Treatment System to be constructed and located at 111 Hudson Avenue, City of Industry, California

Treatment System – The SZ-South remedy wells, collection pipelines, Treatment Plant, surface water discharge pipeline, reverse osmosis (RO) brine discharge pipeline, and other ancillary components of the overall system

A. GENERAL DESCRIPTION OF THE PROJECT:

1. The United States Environmental Protection Agency (EPA) under an Administrative Order for Remedial Design and Remedial Action is requiring Northrop Grumman to perform the interim remedial design and remedial action for the Puente Valley Operable Unit (PVOU) SZ-South. Under EPA oversight, Northrop Grumman plans to operate groundwater extraction wells designed to produce water to remove contamination and to mitigate contaminated plume migration. Water from these wells will be treated at a new Treatment Plant located at 111 Hudson Avenue, City of Industry that will be constructed by Northrop Grumman.
2. Northrop Grumman shall cause its engineering contractors to design, obtain construction permits, and construct the Treatment System at its own cost. The SZ-South Treatment System includes the remedy wells, the collection pipelines, the Treatment Plant, the surface water discharge pipeline, the RO brine discharge pipeline, and other ancillary components of the overall system. Northrop Grumman at all times shall own the Treatment System. The proposed Treatment System shall be designed to treat extracted groundwater for volatile organic compounds and 1,4-dioxane. Concentrations of other constituents in the treated water shall comply with applicable standards based on the anticipated discharge to surface water as set by EPA and the State Water Resources Control Board (SWRCB).
3. The proposed Treatment System shall produce water in accordance with cleanup performance objectives for SZ-South, as determined by EPA. The system will be designed to extract and treat a minimum flow rate of about 50 gallons per minute (gpm) and up to a maximum of 300 gpm. The anticipated range of operational treatment flow rates has been estimated by groundwater modeling,

with an estimated minimum and maximum operational flow of 50 and 100 gpm, respectively. To maximize cleanup performance, the goal is to operate on a continuous basis (24 hours a day, 7 days a week). Treated water will be delivered for surface water discharge to San Jose Creek. Although not initially contemplated and/or permitted, the Treatment Plant is expected to be able to produce treated water of sufficient quality for other end uses in the future, such as use for recycled water and/or potable water. Northrop Grumman will only extract as much water from the PVOU SZ-South as necessary to meet the remedial requirements of its Administrative Order with EPA. The parties understand that over time the amount of water that will need to be extracted (and the corresponding amount of treated water) will change.

4. LPVCWD shall agree in a written contract with Northrop Grumman (herein referred to as the Operation Services Agreement) to be responsible for staffing and operating the Treatment Plant and maintaining the Treatment System to meet all applicable standards and permit requirements, as well as for delivering the treated water to a surface water discharge.
5. Northrop Grumman shall retain responsibility for managing extraction of the impacted groundwater, satisfying regulatory requirements for remediation thereof, and paying the costs for the remedial program and permit requirements.
6. Northrop Grumman shall pay the cost necessary to operate the Treatment Plant to produce treated water that meets applicable standards and to maintain the Treatment System.
7. Certain improvements are required in order for water to be delivered to the Treatment Plant and for treated water to be discharged to surface water. Those improvements shall be constructed, and the cost of construction borne, by Northrop Grumman. If an alternative or beneficial end use is allowed in the future, other improvements may be necessary; these other improvements are not contemplated in this Term Sheet and are not anticipated to be contemplated in the Operation Services Agreement at this time.
8. The Operation Services Agreement will have a specified duration with certain termination rights, which will be negotiated and detailed in the Operation Services Agreement.

B. CONSTRUCTION AND OPERATION OF THE TREATMENT SYSTEM

1. Northrop Grumman shall be responsible for the design, permitting, and construction of the Treatment System. LPVCWD shall cooperate with Northrop Grumman in the design, permitting, and construction of the Treatment Plant.
2. All LPVCWD labor and administrative costs associated with the operation of the Treatment Plant shall be reimbursed or paid pursuant to the Operation Services

Agreement to be negotiated between Northrop Grumman and LPVCWD. In addition, all costs for the operation and maintenance of the Treatment System (power, chemicals, outside services, permits, insurance, etc.) shall be paid for directly by Northrop Grumman, and/or prefunded by Northrop Grumman.

3. LPVCWD shall operate the Treatment Plant according to best industry standards and operational efficiency. LPVCWD shall operate the Treatment Plant in accordance with all applicable laws, regulations, and permits. LPVCWD shall provide to Northrop Grumman operational status reports per a schedule to be determined in the Operation Services Agreement. Northrop Grumman shall retain the right to review information concerning LPVCWD's operation of the Treatment Plant upon reasonable request to LPVCWD. LPVCWD shall be responsible for entering into the third party contracts (e.g., chemical suppliers, maintenance service providers, and engineers) reasonably necessary to operate the Treatment Plant in accordance with the above standards. LPVCWD shall provide copies of such third party contracts promptly after execution of the contracts.
4. Term of the Operation Services Agreement for the Treatment System shall be no less than eight (8) years from the date USEPA determines that the system is Operational and Functional, but shall include 'for cause' termination provisions.
5. All waste streams generated through the SZ-South project shall be owned by and will be the responsibility of Northrop Grumman. LPVCWD shall not be listed as a generator on any waste manifest for waste generated from Treatment Plant operations.
6. Treated water from the Treatment Plant will be delivered by LPVCWD as operator of the Treatment Plant into the surface water discharge pipeline.

C. ADDITIONAL PERMITTING, OPERATIONAL AND FINANCIAL MATTERS

1. The parties shall cooperate with each other in securing all government and administrative approvals necessary for the extraction and treatment of the treated groundwater, including compliance with the California Environmental Quality Act, the necessary approvals from EPA and the Main San Gabriel Basin Watermaster ("Watermaster"), and any other necessary operating or regulatory permits.
2. LPVCWD shall act as the lead agency for the CEQA review of the project described in Section A of this Term Sheet, unless the City of Industry desires to act as the lead agency. The lead agency for CEQA purposes shall be definitively designated in the Operation Services Agreement.
3. LPVCWD shall be held harmless and fully indemnified by Northrop Grumman from any third-party claims, causes of action, suits, etc., as a result of operating the SZ-South wells or the Treatment Plant, unless such claims are attributable to

the willful misconduct or gross negligence of LPVCWD. The Operation Services Agreement shall also provide for LPVCWD to obtain adequate and sufficient requisite insurance to cover its operation of the Treatment System, the cost of which shall be paid for by Northrop Grumman.

4. Accounting of water discharge(s) shall be done in accordance with the terms outlined by Watermaster pursuant to a Water Production Agreement (WPA). Northrop Grumman will be responsible for securing a WPA with Watermaster. As may be requested, LPVCWD will cooperate and support Northrop Grumman with obtaining the WPA.
5. The costs to operate and maintain the metered connections required to ensure continuous delivery of water from the Treatment Plant shall be paid for or reimbursed by Northrop Grumman. The operation and maintenance of Treatment Plant influent and effluent (to surface water and/or reverse osmosis brine) meters as/if required by the WPA will be the responsibility of LPVCWD, with such operation and maintenance costs to be paid by Northrop Grumman.
6. The parties shall cooperate with each other in preparing the Operation Services Agreement necessary to create enforceable obligations among one another.

D. REIMBURSEMENT

1. Northrop Grumman will reimburse LPVCWD for reasonable fees and costs incurred by LPVCWD or its outside consultants, engineers, or legal counsel for work necessary to satisfy LPVCWD obligations described in this Term Sheet and work in furtherance of or related to the preparation of the Operation Services Agreement. Prior to hiring outside consultants or engineers, LPVCWD will notify Northrop Grumman of LPVCWD's intention to retain such consultants so Northrop Grumman can provide appropriate input during the selection process. Northrop Grumman must review and approve all scopes of work and estimated budgets for such work before any work shall commence and all scopes of work and estimated budgets must be in writing. Only work specifically authorized in writing by Northrop Grumman shall be subject to reimbursement.
2. LPVCWD shall submit reimbursement requests to Northrop Grumman on a monthly basis. The reimbursement request shall identify the approved scope of work to which the reimbursement request applies and include appropriate backup documentation identifying the person working on the matter, the description of the work performed, the hourly rate charged, and the total amount of fees. Backup documentation should include invoices submitted by outside consultants, engineers, counsel, and time cards by LPVCWD's staff. Northrop Grumman shall reimburse LPVCWD for all reasonable and reimbursable charges within 60 days of receipt of LPVCWD's reimbursement request.

E. EXECUTION OF TERM SHEET AND PREPARATION OF OPERATION SERVICES AGREEMENT

1. By executing this Term Sheet, neither Northrop Grumman nor LPVCWD is contractually bound to execute any subsequent agreement. However, the parties executing this Term Sheet have agreed to work in good faith in negotiating and preparing the Operation Services Agreement needed to effectuate the provisions of, and the parties' intent reflected in, this Term Sheet.
2. Execution and implementation of the Operations Services Agreement is subject to the Watermaster approving a WPA that is acceptable to Northrop Grumman.
3. The parties intend that all necessary agreements must be executed by their respective authorized signatories before the Operation Services Agreement will become effective.

LA PUENTE VALLEY COUNTY WATER DISTRICT

[DATE]

By: Greg B. Galindo
Its: General Manager

NORTHROP GRUMMAN SYSTEMS CORPORATION

[DATE]

By: Nancy Wong
Its: Manager of Supply Chain

Staff Report

To: Honorable Board of Directors

Date: January 14, 2019

Re: 2019 Conferences and Meetings



In addition to the District's Board Meeting and Committee Meetings, Staff has compiled a list of upcoming Conferences and Meetings for 2019 for the Board to review and approve attendance for Staff and Directors.

Water Education for Latino Leaders (WELL) Annual Conference – Thursday, March 28 to Friday, March 29, 2019, at the Queen Mary Hotel, Long Beach, CA.

AWWA CA/NV Spring Conference – Monday, March 25 to Thursday, March 28, 2019 at the Sheraton Grand & Convention Center, Sacramento, CA.

ACWA 2019 Spring Conference – Tuesday, May 7 to Friday, May 10, 2019, at the Monterey Conference Center, Portola Hotel and Monterey Marriott in Monterey, CA.

AWWA Annual Conference and Exposition – Monday, June 10 to Wednesday, June 12, 2019, at the Colorado Convention Center, Denver, CO.

CSDA Annual Conference – Wednesday, September 25 to Saturday, September 28, 2019 at the Anaheim Marriott, Anaheim, CA.

Watersmart Innovations Conference – Wednesday, October 2, to Thursday, October 3, 2019 at the South Point Hotel in Las Vegas, NV.

AWWA CA/NV 2019 Fall Conference – Monday, October 21 to Thursday, October 24, 2019 at the Town and Country Hotel, San Diego, CA.

ACWA 2019 Fall Conference – Tuesday, December 3, to Friday, December 6, 2019, in San Diego, CA. **(Conference site to be determined)**

SCWUA – Southern California Water Utilities Association, are typically held on the third Thursday of each month with the exception of November and December due to the holidays and are held at the Pomona Sheraton Fairplex in Pomona, CA.
(Dates and location may be subject to change)

SGVWA – San Gabriel Valley Water Association's quarterly breakfasts are typically held on the second Wednesday in the months of February, May, August and November at the Pomona Mining Company in Pomona, CA.
(Dates and location may be subject to change)

If you have any questions on the information provided or would like additional information, please contact us at your earliest convenience.

Memo



To: Honorable Board of Directors
From: Greg Galindo, General Manager
Date: January 10, 2019
Re: Ad hoc Committee Assignments

Below are the active Ad hoc Committee assignments.

- **Recycled Water Project:** President Rojas and Director Hernandez
- **Nitrate Treatment Planning:** Director Hastings and Vice President Escalera

At the upcoming Board of Directors meeting, staff would like to discuss the need to continue the existing Ad hoc Committees into 2019.

If you have any questions, please feel free to give me a call.



Charles Z. Fedak, CPA, MBA
Christopher J. Brown, CPA, CGMA
Jonathan P. Abadesco, CPA
Andy Beck, CPA

Fedak & Brown LLP

Certified Public Accountants

Cypress Office:
6081 Orange Avenue
Cypress, California 90630
(657) 214-2307
FAX (714) 527-9154

Riverside Office:
1945 Chicago Avenue, Suite C-1
Riverside, California 92507
(951) 783-9149

January 8, 2019

Mr. Greg Galindo, General Manager
La Puente Valley Water District
112 N. First Street
La Puente, California 91744

Re: Engagement Letter for auditing services for the year ended December 31, 2018

Dear Mr. Greg Galindo, General Manager:

Enclosed is our Engagement Letter to perform auditing services for the La Puente Valley Water District for the year ended December 31, 2018. We look forward to working with you and the rest of the District staff.

Please sign this engagement letter and return it in the envelope provided at your convenience.

If you have any questions regarding this letter please let me know.

Cordially,

Christopher J. Brown, CPA, CGMA

Enclosures

CJB/rmm



Charles Z. Fedak, CPA, MBA
Christopher J. Brown, CPA, CGMA
Jonathan P. Abadesco, CPA
Andy Beck, CPA

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UNDERSTANDING OF THE ENGAGEMENT

December 13, 2018

Mr. Greg Galindo, General Manager
La Puente Valley Water District
112 N. First Street
La Puente, California 91744

Dear Mr. Greg Galindo, General Manager:

We are pleased to confirm our understanding of the services we are to provide for the La Puente Valley Water District (District) for the year ended December 31, 2018. We will audit the financial statements of the business-type activities, including the related notes to the financial statements, which collectively comprise the basic financial statements of the District as of and for the year ended December 31, 2018. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- Management's Discussion and Analysis
- Schedule of Funding Status – Other Post-Employment Benefit
- Schedule of the District's Proportionate Share of the Net Pension Liability
- Schedule of Pension Plan Contributions

We have also been engaged to report on supplementary information other than RSI that accompanies the District's financial statements. We will subject the supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole.

The following other information accompanying the basic financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information.

- Introductory Section

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and State Controller's Minimum Audit Requirements for California Special Districts, and will include tests of the accounting records of the District and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the District's financial statements. Our report will be addressed to the District's Board of Directors. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, agreements, and grant agreements, noncompliance with which could have a material effect on the basic financial statements as required by *Governmental Auditing Standards*. The report on internal control and on compliance and other matters will each include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware the District is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Audit Procedures - General

Government Auditing Standards require that we communicate, during the planning stage of an audit, certain information to officials of the audited entity, and certain other parties. That information follows:

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the basic financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the basic financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

We have advised the District of the limitations of our audit regarding the detection of fraud and the possible effect on the financial statements (including misappropriation of cash or other assets). We have offered to perform, as a separate engagement, extended procedures specifically designed to detect fraud and the District has declined to engage us to do so at this time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorney(s) as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures – Internal Control

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

We will also assist in preparing the financial statements and related notes of the District in conformity with U.S. generally accepted accounting principles based on information provided by you. We will also assist in preparing the District's Annual State Controller's Report in conformity with the State Controller's Minimum Audit Requirements for California Special Districts. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for establishing and maintaining effective internal controls, including maintaining and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the basic financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, and contracts or grant agreements, or abuse that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

With regard to using the auditor's report, you understand that you must obtain our prior written consent to reproduce or use our report in bond offering official statements or other documents.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the constancy of other information in the electronic site with the original document.

Audit Administration, Fees, and Other

We understand that the District's employees will prepare all confirmations we request and will locate any documentation selected by us for testing.

We will provide copies of our reports to the District; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Fedak & Brown LLP, and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to various government agencies. We will notify the District of any such request. If requested, access to such documentation will be provided under the supervision of Fedak & Brown LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these government agencies. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years under California State Law after the report release date. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit in December 2018 and to issue our reports no later than April 2019. Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$19,340 (with preparation of the District's annual State Controller's Report for \$500, and out-of-pocket cost not to exceed \$500). Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to the audit. Our invoices for these fees will be rendered each month as work progresses and are payable upon presentation. In accordance with our firm policies, work may be suspended if the District's account becomes 30 days or more overdue and may not be resumed until the District's account is paid in full. If we elect to terminate our services for nonpayment, our engagement will have been deemed to have been completed upon written notification of termination, even if we have not completed our report. The District will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from the District's personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with the District's management and arrive at a new fee estimate before we incur the additional costs.

Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms of and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

The District may request that we perform additional services not contemplated by this engagement letter. If this occurs, we will communicate with the District regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services.

In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

We appreciate the opportunity to be of service to the District and believe this letter accurately summarizes the significant terms of our engagement. If the District has any questions, please let us know. If the District agrees with the terms of our engagement described in this letter, please sign below and return it to us in the envelope provided. We have enclosed a copy for the District's files.

Very truly yours,

Fedak & Brown LLP

Fedak & Brown LLP

RESPONSE:

This letter correctly sets forth the understanding of the La Puente Valley Water District.

By: _____

Title: _____

Date: _____

Memo



To: Honorable Board of Directors
From: Greg Galindo, General Manager
Date: January 10, 2018
Re: Revisions to the District's Investment Policy

Summary

Enclosed for your review is a redlined version of the District's existing Investment Policy that provides our District Counsel's recommended changes. In addition, a clean copy of the Investment Policy is attached for your consideration.

At the upcoming Board meeting, staff and District Counsel will summarize all the recommended changes and provide an explanation for why the changes are needed.

Recommendation

Adopt Resolution No. 259 reestablishing the District's Investment Policy.

Enclosures (2)

- Redlined Version of the District's Current Investment Policy
- Clean Copy of the Recommended Investment Policy (Resolution 259)



RESOLUTION NO. _____
(Replacing Resolution 248)

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**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE LA PUENTE VALLEY COUNTY WATER DISTRICT
REESTABLISHING ITS INVESTMENT POLICY**

1.0 POLICY

WHEREAS; the Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern; and

WHEREAS; the legislative body of a local agency may invest monies not required for the immediate necessities of the local agency in accordance with the provisions of California Government Code Sections 53601 et seq.; and

WHEREAS; the chief fiscal officer of the La Puente Valley County Water District ("District") may annually prepare and submit a statement of investment policy and such policy, and any changes thereto, shall be considered by the Board of Directors at a public meeting;

NOW THEREFORE, it shall be the policy of the District to invest funds in a manner which will provide the highest investment return with the maximum security while meeting the District's daily cash flow demands and conforming to all statutes governing the investment of District funds.

2.0 SCOPE

This investment policy applies to all financial assets of the District except Certificate of Participation (COP) funds (governed by the applicable Trust Indentures), investments of employees' retirement funds through the California Public Employees Retirement System (CalPERS), employees' deferred compensation plan and funds restricted to fund the cost of employee post employment benefits, which are administered separately. These funds are accounted for in the annual District audit.

3.0 PRUDENCE

Investments shall be made with judgment and care, under circumstances then prevailing, including, but not limited to, the general economic conditions and the

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anticipated needs of the District, which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the "prudent investor" standard (California Government Code 53600.3) and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

4.0 OBJECTIVES

When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing District funds, the primary objectives, in priority order, of the investment activities shall be:

1. Safety: Safety of principal is the foremost objective of the investment program. Investments of the District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required so that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

2. Liquidity: The investment portfolio will remain sufficiently liquid to enable the District to meet all operating requirements which might be reasonably anticipated.

3. Return on Investments: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

5.0 AUTHORITY

Authority to manage the investment program is derived from California Government Code 53600 et seq. Management and decision making authority for the investment program is retained by the District's Board of Directors, which, where appropriate, shall establish written procedures for the operation of the investment program consistent with this investment policy. No person may engage in an investment transaction except as provided under the terms of this policy and such procedures that are established by the Board of Directors. The Board of Directors shall be responsible for all transactions undertaken and shall establish controls to regulate the activities of subordinate officials. Under the provisions of California Government Code 53600.3, the Board of Directors is a trustee and a fiduciary subject to the prudent investor standard.

6.0 ETHICS AND CONFLICTS OF INTEREST

Directors, officers and employees involved in the investment process shall refrain from personal business activity that could conflict or appear to conflict with the proper

execution of the investment program, or which could impair their ability to make impartial investment decisions.

7.0 AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The District may maintain a list of financial institutions, selected on the basis of credit worthiness, financial strength, experience and minimal capitalization authorized to provide investment services. The District's chief fiscal officer shall investigate all institutions that wish to do business with the District in order to determine if they are adequately capitalized, understand the District's needs as a public agency, and agree to abide by the conditions set forth in this Investment Policy.

The District may maintain a list of broker/dealers and institutions authorized to provide investment services to the District. The District's chief fiscal officer shall conduct an annual review of the financial condition of any such qualified institutions. In addition, a current financial statement is required to be on file with the District for each qualified institution. No public deposit shall be made except in a qualified public depository as established by state laws.

For brokers/dealers of government securities and other investments, the District shall select only broker/dealers who are licensed and in good standing with the California Department of Business Oversight, the Securities and Exchange Commission, the National Association of Securities Dealers or other applicable self-regulatory organizations.

Deleted: Securities

Before engaging in investment transactions with a broker/dealer, the District shall have received from said firm a signed Certification Form. This form shall attest that the individual responsible for the District's account with that firm has reviewed the District's Investment Policy and that the firm understands the policy and intends to present investment recommendations and transactions to the District that are appropriate under the terms and conditions of the Investment Policy.

Where all funds of the District not placed in FDIC-insured accounts are invested through the Local Agency Investment Fund (LAIF), the District need not be concerned with the qualifications of those financial institutions and broker/dealers with whom LAIF transacts business.

8.0 AUTHORIZED AND SUITABLE INVESTMENTS

The District is empowered by California Government Code 53601 et seq. to invest in the following:

- a. Bonds issued by the District.
- b. United States Treasury Bills, Notes and Bonds.
- c. Registered state warrants or treasury notes or bonds issued by the State of California.

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- d. Registered treasury notes or bonds of any of the 49 United States in addition to California, including bonds payable solely out of revenues from revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 United States, in addition to California.
- e. Bonds, notes, warrants or other evidence of debt issued by a local agency within the State of California, including pooled investment accounts sponsored by the State of California, County Treasurers, other local agencies or Joint Powers Agencies. The Local Agency Investment Fund (LAIF) is an approved pooled investment account.
- f. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by, or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
- g. Bankers' acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchase of bankers' acceptances shall not exceed one hundred eighty (180) days' maturity or forty percent (40%) of the District's money that may be invested pursuant to this policy. However, no more than thirty percent (30%) of the District's money can be invested in the bankers' acceptances of any single commercial bank.
- h. Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization ("NRSRO"). The entity that issues the commercial paper shall either be:
 - (1) organized and operating within the United States, shall have total assets in excess of five hundred million dollars (\$500,000,000), and shall issue debt, other than commercial paper, if any, that is rated in a category of "A" or its equivalent or higher by an NRSRO; or
 - (2) organized within the United States as a special purpose corporation, trust, or limited liability company, have program-wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond, and has commercial paper that is rated "A-1" or higher, or the equivalent, by an NRSRO.

Eligible commercial paper shall have a maximum maturity of two hundred seventy (270) days or less. The District shall invest no more than twenty-five percent (25%) of its money in eligible commercial paper. The District shall purchase no more than ten percent (10%) of the outstanding commercial paper of any single corporate issue.
- i. Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by

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Section 5102 of the Financial Code), a state or federal credit union, or by a state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit shall not exceed thirty percent (30%) of the District's money which may be invested pursuant to this policy. The District's Board of Directors is prohibited from investing District funds, or funds in the District's custody, in negotiable certificates of deposit issued by a state or federal credit union if a member of the Board of Directors also serves on the board of directors, or any committee appointed by said board of directors or the credit committee or supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.

- j. Repurchase/Reverse Repurchase Agreements of any securities authorized by Section 53601. The market value of securities that underlie a repurchase agreement shall be valued at one hundred two percent (102%) or greater of the funds borrowed against these securities, and are subject to the special limits and conditions of California Government Code 53601(j).
- k. Medium term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five (5) years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated in a category of "A" or its equivalent or better by an NRSRO. Purchases of medium-term notes shall not include other instruments authorized by this policy and may not exceed thirty percent (30%) of the District's money which may be invested pursuant to this policy.
- l. Shares of beneficial interest issued by diversified management companies (mutual funds) investing in the securities and obligations authorized by this policy, and shares in money market mutual funds, subject to the restrictions of Government Code Section 53601(l). The purchase price of investments under this subdivision shall not exceed twenty percent (20%) of the District's money that may be invested pursuant to this policy. However, no more than ten percent (10%) of the District's money may be invested in any one mutual fund.
- m. Moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.

- n. Notes, bonds, or other obligations that are at all times secured by a valid first priority security interest in securities of the types listed by Government Code Section 53651 as eligible securities for the purpose of securing local agency deposits having a market value at least equal to that required by Government Code Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank which is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted.
- o. A mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond of a maximum of five (5) years' maturity. Securities eligible for investment under this subdivision shall be issued by an issuer rated in a category of "A" or its equivalent or better rating for the issuer's debt as provided by an NRSRO and the securities shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO. Purchase of securities authorized by this subdivision may not exceed twenty percent (20%) of the District's money that may be invested pursuant to this policy.
- p. Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized under Government Code Section 53601. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible, the joint powers authority issuing the shares must have retained an investment advisor that is registered or exempt from registration with the Securities and Exchange Commission, have not less than five years of experience in investing in the securities and obligations authorized under Government Code Section 53601, and have assets under management in excess of five million dollars (\$5,000,000.00).
- q. Proposition 1A receivables sold pursuant to California Government Code Section 53999. A "Proposition 1A receivable" constitutes the right to payment of moneys due or to become due to a local agency, pursuant to clause (iii) of subparagraph (B) of paragraph (1) of subdivision (a) of Section 25.5 of Article XIII of the California Constitution and Section 100.06 of the Revenue and Taxation Code.
- r. United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation,

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or Inter-American Development Bank, with a maximum remaining maturity of five years, or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a category of "AA" or its equivalent or better by an NRSRO and shall not exceed 30 percent (30%) of the District's money that may be invested pursuant to this policy.

- s. Any other investment security authorized under the provisions of California Government Code 5922 and 53601.

Pursuant to Government Code Sections 53601.6, the District shall not invest any funds covered by this Investment Policy in inverse floaters, range notes, mortgage derived interest-only strips, or any investment that may result in a zero interest accrual if held to maturity.

9.0 COLLATERALIZATION

All certificates of deposit must be collateralized by United States Treasury Obligations. Collateral must be held by a third party trustee and valued on a monthly basis. The percentage of collateralizations on repurchase and reverse agreements will adhere to the requirements of California Government Code 53601(j)(2).

10.0 SAFEKEEPING AND CUSTODY

All security transactions entered into by the District shall be conducted on delivery-versus-payment (DVP) basis. All securities purchased or acquired shall be delivered to the District by book entry, physical delivery or by third party custodial agreement.

11.0 DIVERSIFICATION

The District will diversify its investments by security type and institution. Assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities.

Diversification strategies shall be determined and revised periodically, if determined necessary to meet District goals. In establishing specific diversification strategies, the following general policies and constraints shall apply:

- a. Portfolio maturity dates shall be matched versus liabilities to avoid undue concentration in a specific maturity sector.
- b. Maturities selected shall provide for stability of income and liquidity.
- c. Disbursement and payroll dates shall be covered through maturities of investments, marketable United States Treasury bills or other cash equivalent instruments such as money market mutual funds.

12.0 REPORTING

The District's chief fiscal officer shall submit a monthly transaction report to the Board of Directors within 30 days following the end of the reporting period in accordance with California Government Code Section 53607. In addition, the District's chief fiscal officer shall submit an investment report to the Board of Directors at least quarterly, which shall be submitted within 30 days following the end of the reporting period covered by the report. The report shall include a complete description of the portfolio, the type of investments, the issuers, maturity dates, par values and the current market values of each component of the portfolio, including funds managed for District by third party contracted managers. The report will also include the source of the portfolio valuation. If all funds are placed in LAIF, FDIC-insured accounts and/or in a county investment pool, the foregoing report elements may be replaced by copies of the latest statements from such institutions. The report must also include a certification that (1) all investment actions executed since the last report have been made in full compliance with the Investment Policy and, (2) the District will meet its expenditure obligations for the next six (6) months, as required by Government Code Section 53646(b)(2) and (3), respectively. The chief fiscal officer shall maintain a complete and timely record of all investment transactions.

13.0 INVESTMENT POLICY ADOPTION

The Investment Policy shall be adopted by resolution of the District. Moreover, the Policy shall be reviewed on an annual basis, and modifications must be approved by the Board of Directors.

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the Board of Directors of La Puente Valley County Water District held on _____, 2018, was adopted by the following vote:

Deleted: November 27

Deleted: 7

AYES:

NOES: None.

ABSTAIN: None.

ABSENT: None.

President, Board of Directors
La Puente Valley County Water District

ATTEST:

Secretary of the Board of Directors

Deleted: 248

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I, _____, Secretary of the La Puente Valley County Water District, DO HEREBY CERTIFY that the foregoing is a full, true and correct copy of Resolution No. ____ of the Board of Directors of La Puente Valley County Water District adopted at a Regular Meeting held on _____, 2018 and that the same has not been amended or repealed.

Deleted: November 27, 2017

La Puente Valley County Water District

DATED: _____

Deleted: 248



**RESOLUTION NO. 259
(Replacing Resolution 248)**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE LA PUENTE VALLEY COUNTY WATER DISTRICT
REESTABLISHING ITS INVESTMENT POLICY**

1.0 POLICY

WHEREAS; the Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern; and

WHEREAS; the legislative body of a local agency may invest monies not required for the immediate necessities of the local agency in accordance with the provisions of California Government Code Sections 53601 et seq.; and

WHEREAS; the chief fiscal officer of the La Puente Valley County Water District ("District") may annually prepare and submit a statement of investment policy and such policy, and any changes thereto, shall be considered by the Board of Directors at a public meeting;

NOW THEREFORE, it shall be the policy of the District to invest funds in a manner which will provide the highest investment return with the maximum security while meeting the District's daily cash flow demands and conforming to all statutes governing the investment of District funds.

2.0 SCOPE

This investment policy applies to all financial assets of the District except Certificate of Participation (COP) funds (governed by the applicable Trust Indentures), investments of employees' retirement funds through the California Public Employees Retirement System (CalPERS), employees' deferred compensation plan and funds restricted to fund the cost of employee post employment benefits, which are administered separately. These funds are accounted for in the annual District audit.

3.0 PRUDENCE

Investments shall be made with judgment and care, under circumstances then prevailing, including, but not limited to, the general economic conditions and the

anticipated needs of the District, which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the "prudent investor" standard (California Government Code 53600.3) and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

4.0 OBJECTIVES

When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing District funds, the primary objectives, in priority order, of the investment activities shall be:

1. Safety: Safety of principal is the foremost objective of the investment program. Investments of the District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required so that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

2. Liquidity: The investment portfolio will remain sufficiently liquid to enable the District to meet all operating requirements which might be reasonably anticipated.

3. Return on Investments: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

5.0 AUTHORITY

Authority to manage the investment program is derived from California Government Code 53600 et seq. Management and decision making authority for the investment program is retained by the District's Board of Directors, which, where appropriate, shall establish written procedures for the operation of the investment program consistent with this investment policy. No person may engage in an investment transaction except as provided under the terms of this policy and such procedures that are established by the Board of Directors. The Board of Directors shall be responsible for all transactions undertaken and shall establish controls to regulate the activities of subordinate officials. Under the provisions of California Government Code 53600.3, the Board of Directors is a trustee and a fiduciary subject to the prudent investor standard.

6.0 ETHICS AND CONFLICTS OF INTEREST

Directors, officers and employees involved in the investment process shall refrain from personal business activity that could conflict or appear to conflict with the proper

execution of the investment program, or which could impair their ability to make impartial investment decisions.

7.0 AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The District may maintain a list of financial institutions, selected on the basis of credit worthiness, financial strength, experience and minimal capitalization authorized to provide investment services. The District's chief fiscal officer shall investigate all institutions that wish to do business with the District in order to determine if they are adequately capitalized, understand the District's needs as a public agency, and agree to abide by the conditions set forth in this Investment Policy.

The District may maintain a list of broker/dealers and institutions authorized to provide investment services to the District. The District's chief fiscal officer shall conduct an annual review of the financial condition of any such qualified institutions. In addition, a current financial statement is required to be on file with the District for each qualified institution. No public deposit shall be made except in a qualified public depository as established by state laws.

For brokers/dealers of government securities and other investments, the District shall select only broker/dealers who are licensed and in good standing with the California Department of Business Oversight, the Securities and Exchange Commission, the National Association of Securities Dealers or other applicable self-regulatory organizations.

Before engaging in investment transactions with a broker/dealer, the District shall have received from said firm a signed Certification Form. This form shall attest that the individual responsible for the District's account with that firm has reviewed the District's Investment Policy and that the firm understands the policy and intends to present investment recommendations and transactions to the District that are appropriate under the terms and conditions of the Investment Policy.

Where all funds of the District not placed in FDIC-insured accounts are invested through the Local Agency Investment Fund (LAIF), the District need not be concerned with the qualifications of those financial institutions and broker/dealers with whom LAIF transacts business.

8.0 AUTHORIZED AND SUITABLE INVESTMENTS

The District is empowered by California Government Code 53601 et seq. to invest in the following:

- a. Bonds issued by the District.
- b. United States Treasury Bills, Notes and Bonds.
- c. Registered state warrants or treasury notes or bonds issued by the State of California.

- d. Registered treasury notes or bonds of any of the 49 United States in addition to California, including bonds payable solely out of revenues from revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 United States, in addition to California.
- e. Bonds, notes, warrants or other evidence of debt issued by a local agency within the State of California, including pooled investment accounts sponsored by the State of California, County Treasurers, other local agencies or Joint Powers Agencies. The Local Agency Investment Fund (LAIF) is an approved pooled investment account.
- f. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by, or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
- g. Bankers' acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchase of bankers' acceptances shall not exceed one hundred eighty (180) days' maturity or forty percent (40%) of the District's money that may be invested pursuant to this policy. However, no more than thirty percent (30%) of the District's money can be invested in the bankers' acceptances of any single commercial bank.
- h. Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization ("NRSRO"). The entity that issues the commercial paper shall either be:
 - (1) organized and operating within the United States, shall have total assets in excess of five hundred million dollars (\$500,000,000), and shall issue debt, other than commercial paper, if any, that is rated in a category of "A" or its equivalent or higher by an NRSRO; or
 - (2) organized within the United States as a special purpose corporation, trust, or limited liability company, have program-wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond, and has commercial paper that is rated "A-1" or higher, or the equivalent, by an NRSRO.Eligible commercial paper shall have a maximum maturity of two hundred seventy (270) days or less. The District shall invest no more than twenty-five percent (25%) of its money in eligible commercial paper. The District shall purchase no more than ten percent (10%) of the outstanding commercial paper of any single corporate issue.
- i. Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by

Section 5102 of the Financial Code), a state or federal credit union, or by a state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit shall not exceed thirty percent (30%) of the District's money which may be invested pursuant to this policy. The District's Board of Directors is prohibited from investing District funds, or funds in the District's custody, in negotiable certificates of deposit issued by a state or federal credit union if a member of the Board of Directors also serves on the board of directors, or any committee appointed by said board of directors or the credit committee or supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.

- j. Repurchase/Reverse Repurchase Agreements of any securities authorized by Section 53601. The market value of securities that underlie a repurchase agreement shall be valued at one hundred two percent (102%) or greater of the funds borrowed against these securities, and are subject to the special limits and conditions of California Government Code 53601(j).
- k. Medium term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five (5) years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated in a category of "A" or its equivalent or better by an NRSRO. Purchases of medium-term notes shall not include other instruments authorized by this policy and may not exceed thirty percent (30%) of the District's money which may be invested pursuant to this policy.
- l. Shares of beneficial interest issued by diversified management companies (mutual funds) investing in the securities and obligations authorized by this policy, and shares in money market mutual funds, subject to the restrictions of Government Code Section 53601(l). The purchase price of investments under this subdivision shall not exceed twenty percent (20%) of the District's money that may be invested pursuant to this policy. However, no more than ten percent (10%) of the District's money may be invested in any one mutual fund.
- m. Moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.

- n. Notes, bonds, or other obligations that are at all times secured by a valid first priority security interest in securities of the types listed by Government Code Section 53651 as eligible securities for the purpose of securing local agency deposits having a market value at least equal to that required by

Government Code Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank which is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted.

- o. A mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond of a maximum of five (5) years' maturity. Securities eligible for investment under this subdivision shall be issued by an issuer rated in a category of "A" or its equivalent or better rating for the issuer's debt as provided by an NRSRO and the securities shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO. Purchase of securities authorized by this subdivision may not exceed twenty percent (20%) of the District's money that may be invested pursuant to this policy.
- p. Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized under Government Code Section 53601. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible, the joint powers authority issuing the shares must have retained an investment advisor that is registered or exempt from registration with the Securities and Exchange Commission, have not less than five years of experience in investing in the securities and obligations authorized under Government Code Section 53601, and have assets under management in excess of five million dollars (\$5,000,000.00).
- q. Proposition 1A receivables sold pursuant to California Government Code Section 53999. A "Proposition 1A receivable" constitutes the right to payment of moneys due or to become due to a local agency, pursuant to clause (iii) of subparagraph (B) of paragraph (1) of subdivision (a) of Section 25.5 of Article XIII of the California Constitution and Section 100.06 of the Revenue and Taxation Code.
- r. United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation,

or Inter-American Development Bank, with a maximum remaining maturity of five years, or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a category of "AA" or its equivalent or better by an NRSRO and shall not exceed 30 percent (30%) of the District's money that may be invested pursuant to this policy.

- s. Any other investment security authorized under the provisions of California Government Code 5922 and 53601.

Pursuant to Government Code Sections 53601.6, the District shall not invest any funds covered by this Investment Policy in inverse floaters, range notes, mortgage derived interest-only strips, or any investment that may result in a zero interest accrual if held to maturity.

9.0 COLLATERALIZATION

All certificates of deposit must be collateralized by United States Treasury Obligations. Collateral must be held by a third party trustee and valued on a monthly basis. The percentage of collateralizations on repurchase and reverse agreements will adhere to the requirements of California Government Code 53601(j)(2).

10.0 SAFEKEEPING AND CUSTODY

All security transactions entered into by the District shall be conducted on delivery-versus-payment (DVP) basis. All securities purchased or acquired shall be delivered to the District by book entry, physical delivery or by third party custodial agreement.

11.0 DIVERSIFICATION

The District will diversify its investments by security type and institution. Assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities.

Diversification strategies shall be determined and revised periodically, if determined necessary to meet District goals. In establishing specific diversification strategies, the following general policies and constraints shall apply:

- a. Portfolio maturity dates shall be matched versus liabilities to avoid undue concentration in a specific maturity sector.
- b. Maturities selected shall provide for stability of income and liquidity.
- c. Disbursement and payroll dates shall be covered through maturities of investments, marketable United States Treasury bills or other cash equivalent instruments such as money market mutual funds.

12.0 REPORTING

The District’s chief fiscal officer shall submit a monthly transaction report to the Board of Directors within 30 days following the end of the reporting period in accordance with California Government Code Section 53607. In addition, the District’s chief fiscal officer shall submit an investment report to the Board of Directors at least quarterly, which shall be submitted within 30 days following the end of the reporting period covered by the report. The report shall include a complete description of the portfolio, the type of investments, the issuers, maturity dates, par values and the current market values of each component of the portfolio, including funds managed for District by third party contracted managers. The report will also include the source of the portfolio valuation. If all funds are placed in LAIF, FDIC-insured accounts and/or in a county investment pool, the foregoing report elements may be replaced by copies of the latest statements from such institutions. The report must also include a certification that (1) all investment actions executed since the last report have been made in full compliance with the Investment Policy and, (2) the District will meet its expenditure obligations for the next six (6) months, as required by Government Code Section 53646(b)(2) and (3), respectively. The chief fiscal officer shall maintain a complete and timely record of all investment transactions.

13.0 INVESTMENT POLICY ADOPTION

The Investment Policy shall be adopted by resolution of the District. Moreover, the Policy shall be reviewed on an annual basis, and modifications must be approved by the Board of Directors.

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the Board of Directors of La Puente Valley County Water District held on _____, 2018, was adopted by the following vote:

- AYES:
- NOES: None.
- ABSTAIN: None.
- ABSENT: None.

President, Board of Directors
La Puente Valley County Water District

ATTEST:

Secretary of the Board of Directors

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I, _____, Secretary of the La Puente Valley County Water District, DO HEREBY CERTIFY that the foregoing is a full, true and correct copy of Resolution No. ____ of the Board of Directors of La Puente Valley County Water District adopted at a Regular Meeting held on _____, 2018 and that the same has not been amended or repealed.

La Puente Valley County Water District

DATED: _____

Memo



To: Honorable Board of Directors
 From: Greg Galindo, General Manager
 Date: January 10, 2019
 Re: Authorize Investments of \$152,000 of the District's Reserve Funds

Summary

As declared in the District's Investment Policy, the Board has the authority to invest funds in a manner which will provide the highest investment return with the maximum security while meeting the District's daily cash flow demands and conforming to all statutes governing the investment of District funds. In accordance with its policy, the Board invested \$500,000 in various investments with Raymond James & Associates Inc. in January of 2016. Below is a summary that provides specifics of the current certificates of deposit (CD) that the District is invested in.

Current						
CD	Coupon / Current	Acquisition Cost	CD Original Duration	Maturity Date	Estimated Annual	Remaining Months
Well Fargo BK	1.55%	\$ 150,000	18	12/21/2018	\$ -	0.00
Goldman Sachs BK	1.46%	\$ 50,000	36	2/11/2019	\$ 730.00	1.05
Ally BK	1.61%	\$ 55,000	18	3/13/2019	\$ 150.41	2.04
Wells Fargo Bk	2.55%	\$ 100,000	23.4	3/23/2020	\$ 2,550.00	23.43
Average	1.79%	\$ 355,000	24		\$ 3,430.41	6.63
Weighted	1.83%		22			7.06

As shown in the summary above there is one CD in the amount of \$150,000 that matured on December 21, 2018, allowing the District to consider another investment consistent with the District's Investment Policy and investment strategy.

District staff has evaluated the District's investment options currently available. The following factors have been considered in contemplating the next investment of District funds:

- Current market offerings that comply with the District's Investment Policy and their safety, liquidity and anticipated return.
- The District's checking account earnings credit, which provides an offset to banking fees.
- The Local Agency Investment Fund's (LAIF) current rate of return.
- The District's cash needs over a period of the investment being considered.

Considering these factors, at this time staff recommends that the balance of approximately \$152,000, that is in the Raymond James account and not currently invested into a CD, be withdrawn and deposited into the District's LAIF account.

LAIF's current apportionment rate is 2.16%. This will equate to approximately \$3,200 in annual interest income. A copy of the latest LAIF performance report is enclosed for your reference. Funds in the LAIF account can be accessed within one business day and without any penalty or loss of investment earnings.

Fiscal Impact

The District's 2019 Budget anticipates interest income from the District's investments to be \$40,000 in 2019. Including this recommended investment, staff anticipates interest income from its investments to be as projected for the 2019 Budget.

Recommendation

Staff recommends the Board approve a total of \$152,000 to be withdrawn from its Raymond James account and deposited into the District's LAIF account.

Respectfully Submitted,

Greg B. Galindo

General Manager



**CALIFORNIA STATE TREASURER
FIONA MA, CPA**



PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
12/10/18	2.28	2.19	204
12/11/18	2.28	2.19	203
12/12/18	2.29	2.19	204
12/13/18	2.29	2.19	206
12/14/18	2.30	2.19	205
12/15/18	2.30	2.19	205
12/16/18	2.30	2.19	205
12/17/18	2.30	2.20	203
12/18/18	2.30	2.20	201
12/19/18	2.30	2.20	199
12/20/18	2.31	2.20	197
12/21/18	2.31	2.20	198
12/22/18	2.31	2.20	198
12/23/18	2.31	2.20	198
12/24/18	2.31	2.20	195
12/25/18	2.31	2.21	195
12/26/18	2.31	2.21	192
12/27/18	2.32	2.21	193
12/28/18	2.32	2.21	192
12/29/18	2.32	2.21	192
12/30/18	2.32	2.21	192
12/31/18	2.32	2.21	192
01/01/19	2.32	2.32	192
01/02/19	2.32	2.32	196
01/03/19	2.33	2.33	195
01/04/19	2.34	2.33	194
01/05/19	2.34	2.33	194
01/06/19	2.34	2.33	194
01/07/19	2.34	2.33	192
01/08/19	2.34	2.33	190
01/09/19	2.34	2.33	191

*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)

LAIF Performance Report

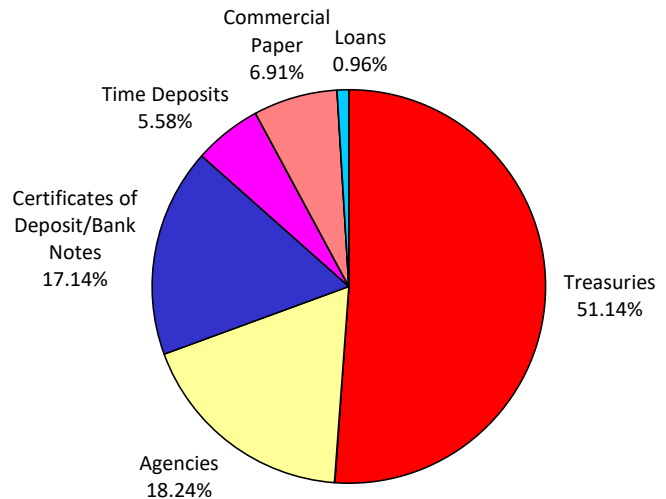
Quarter Ending 09/30/18

Apportionment Rate: 2.16%
 Earnings Ratio: 0.00005909460836489
 Fair Value Factor: 0.997832404
 Daily: 2.09%
 Quarter to Date: 2.00%
 Average Life: 193

PMIA Average Monthly Effective Yields

Dec 2018 2.291
 Nov 2018 2.208
 Oct 2018 2.144

**Pooled Money Investment Account
Portfolio Composition
12/31/18
\$83.3 billion**



Percentages may not total 100%, due to rounding.

Based on data available as of 1/10/2019

STAFF REPORT



Meeting Date: January 14, 2019
 To: Honorable Board of Directors
 Subject: VOC Treatment System Vapor Phase Carbon Replacement

Purpose - *To secure services for the replacement of 27,000 lbs. of vapor phase carbon at the District’s Treatment Plant.*

Recommendation - *Review the bid results and authorize the General Manger to proceed with the work as specified in the proposal provided by Evoqua Water Technologies.*

Fiscal Impact - *The 2019 Treatment Plant Budget appropriates \$20,000.00 for VOC Treatment, which includes an estimated 27,000 lbs. of vapor phase carbon to be replaced in 2019. The low bid from Evoqua Water Technologies is within the Budget appropriation for this expense category. The cost for the vapor phase carbon replacement services is a BPOU Project expense and shall be 100% reimbursed by the Cooperating Respondents.*

Summary

The District treats groundwater for VOC contamination through the operation of two air stripping towers. As VOC contamination is removed from the water by this technology, the VOCs must then be removed from the air that passes through the air strippers, before being released into the atmosphere. This is accomplished by the use of adsorber vessels that utilize granular activated vapor phase carbon to treat this air flow. Based on air quality monitoring, the carbon in the vessels must be replaced to ensure adequate treatment capacity of the carbon beds.

The last carbon replacement was performed in October 2017. At that time both Air Stripper No. 1 and No. 2 carbon beds were changed-out. Based on the most recent air quality monitoring results, it is now time to replace the carbon. Staff sent out a notice inviting bids to three vapor phase carbon suppliers. Bids were due January 4, 2019. Two suppliers submitted bids, which are summarized in the table below. As shown in the table, Evoqua Water Technologies is the apparent low bidder.

Jan-19	4 x 8 Reactivated Coconut GAC	
Supplier	Carbon Activated	Evoqua
Quantity (lbs)	27,000	27,000
Unit Price/lb	\$0.7477	\$0.6166
Tax	Included	Included
Total Cost	\$20,188.00	\$16,646.96
Total Cost/lb	\$0.748	\$0.617

Fiscal Impact

The cost for the vapor phase carbon replacement services is a BPOU Project expense and shall be 100% reimbursed by the Cooperating Respondents. The 2019 Treatment Plant Budget appropriates \$20,000 for VOC Treatment, which includes an estimated 27,000 lbs. of carbon to be replaced in 2019. The bid from Evoqua Water Technologies is for \$16,646.96. This bid is within the Budget for this expense category.

Recommendation

Staff requests the Board authorize the General Manager to proceed with the work as specified in the proposal (**Enclosure 1**) submitted by Evoqua Water Technologies for Vapor Phase Carbon Replacement Services.

Respectfully Submitted,

Roy Frausto

Engineering & Compliance Manager

Enclosure 1 – Evoqua Water Technologies Carbon Proposal



Enclosure 1

Evoqua Water Technologies Carbon Proposal



Evoqua Water Technologies, LLC
14250 Gannet Street, La Mirada, CA 90638
(Phone) 714-262-1560 (Fax) 714-464-2230

Confidentiality Statement

This document and all information contained herein are the property of Evoqua Water Technologies LLC and/or its affiliates ("Evoqua Water Technologies LLC"). The design concepts and information contained herein are proprietary to Evoqua Water Technologies LLC and are submitted in confidence. They are not transferable and must be used only for the purpose for which the document is expressly loaned. They must not be disclosed, reproduced, loaned or used in any other manner without the express written consent of Evoqua Water Technologies LLC. In no event shall they be used in any manner detrimental to the interest of Evoqua Industry, Inc.. All patent rights are reserved. Upon the demand of Evoqua Water Technologies LLC, this document, along with all copies or extracts, and all related notes and analyses, must be returned to Evoqua Water Technologies LLC or destroyed, as instructed by Evoqua Water Technologies, LLC. Acceptance of the delivery of this document constitutes agreement to these terms and conditions.



Evoqua Water Technologies, LLC
14250 Gannet Street, La Mirada, CA 90638
(Phone) 714-262-1560 (Fax) 714-464-2230

December 4, 2018

La Puente Valley County Water District
Attention: Cesar Ortiz
112 N. First St.
P.O. Box 3136
La Puente, CA 91744

Subject: Vapor Phase spent carbon Services Quote –Baldwin Park Site

Dear Mr. Cesar Ortiz:

Evoqua Water Technologies LLC is pleased to provide to the La Puente Valley County Water District our proposal of product and services to you for the GAC fills of the 2 Sizes of carbon vessels. Based upon your site parameters and site layout, this proposal provides a detailed description of our on-site services and carbon reactivation services.

Our experience in activated carbon services dates back over thirty years, and through Evoqua we can provide the stability, resources, and experience to address your long-term requirements for carbon services. Our activated carbon and services offering includes the following:

- State of the art research and development center, including state certified carbon testing laboratory
- Custom isotherm modeling program to calculate carbon usage rates
- Full line of high quality virgin coal-based and coconut-based carbons, all certified through our QA/QC program
- Full line of pre-engineered adsorption equipment for sale or rental
- Quick response, Full turnkey services, Evoqua LPS Behavioral Based Safety Program
- RCRA , and NON HAZ approved spent carbon reactivation facilities
- Regional service branches located across the country – Evoqua’s La Mirada, CA branch is within 50 miles of your facility.

We feel that our offering is your best choice because:

Experience – With numerous sites already installed in California and throughout the US, we have the experience working in conjunction with your team to provide quality on-going service to meet and exceed your requirements. You can rest assured that if selected Evoqua Water Technologies LLC Technologies will provide complete and timely service.

Local Service – In the Los Angeles area we have four service branches with over 100 people including field service technicians, applications engineers, installation technicians, and management team, the largest and best field service team in Southern California, all of whom are Evoqua Water Technologies LLC Technologies certified and trained employees. Of specific note:

- The primary branch that would be supporting this site is less than 30 miles away in our La Mirada, CA facility.
- The engineering team, installation group and service team that would support this site are all located in the Los Angeles basin.

Thermal Reactivation of Spent Carbon-General

Spent carbon change-out pricing includes reactivation of the spent carbon at one of our state-of-the-art reactivation facilities. Our three reactivation facilities are in complete compliance with all federal, state, and local permits, and disposal of the spent carbon via reactivation provides a 'green' disposal method that eliminates the generator's liability for the spent carbon. The two plants on the West coast are Red Bluff, CA (Non Haz) and Parker, AZ (Non Haz, Non-RCRA, RCRA)

Evoqua's Reactivation Programs process RCRA hazardous and Non-Hazardous liquid and vapor phase spent carbons. After inspection, testing and profiling, and acceptance, the spent carbon is heated to minimum 1600°F to ensure proper reactivation. The cooled reactivated carbon is identified by lot numbers, sampled and analyzed in accordance with Evoqua's QA/QC program. This process assures the high quality reactivated carbon.

Evoqua Water Technologies LLC, La Mirada, CA. will provide the Non Haz spent carbon reactivation/return at our Red Bluff, CA or Parker, Az plants as Non Haz spent carbons. Both plants are approved to handle CERCLA wastes and Non Hazardous spent carbons.

Should any of your exhausted carbons become hazardous Evoqua Water Technologies LLC can utilize its RCRA Part B facility in Parker, AZ for transport to and reactivation of spent Hazardous carbons, at an additional price quote, if the need arises.

The Parker Plant when reactivating spent RCRA carbon provides a certificate in compliance with the Resource Conservation and Recovery Act for the recycling/reuse of spent RCRA carbons which destroy all volatile and semi volatile organic compounds. The Parker plant also certifies that spent carbons have been recycled in a manner that meets or exceeds all Benzene NESHAP regulations where applicable for those industries. The entire state-of-the-art process is computer controlled and monitored, ensuring the facility meets or exceeds federal and state regulatory requirements for air and water discharges.

Not only will the spent carbons be thermally reactivated in accordance with proper procedures they will be handled by Evoqua Water Technologies LLC throughout the entire process. This ensures that it will be properly manifested, only held at facilities with proper permits, and that the personnel handling the work and effort will hold Hazwoper and other training and certifications, including equipment operation and Confined Space.

Contractors License

Evoqua possess a valid California Contractor License, Classification "A" and "C55" # 733546

State Certified Lab

Evoqua owns and operates a laboratory certified in the State of California to characterize activated carbons in accordance to ASTM and AWWA standard test methods; The laboratory is certified for environmental testing of solid waste activated carbons, including for spent carbon profiling, which include, but not limited to, ignitability, corrosivity, toxicity characteristic leaching procedure (TCLP), inorganic metals and organics by EPA 8010, 8020, 8021, TPH, 8240 and 8260; and other activated carbon analysis and testing. Other testing such as RSCCT, Bottle Point Isotherms, Pilot testing and site specific testing needs are available at the Evoqua's laboratories in CA as well throughout the US.



Evoqua Water Technologies, LLC
14250 Gannet Street, La Mirada, CA 90638
(Phone) 714-262-1560 (Fax) 714-464-2230

Please do not hesitate to contact me any time for further discussion regarding this proposal and our services for La Puente Valley County Water District and any other needs that you may have. We look forward to continuing to provide quality products and services to LPVCWD in 2018/19. Should you have any questions regarding this proposal, please do not hesitate to contact me at (714)262-1560 (cell).

Sincerely,

Patricia Tinnerino (electronically signed)

Patricia Tinnerino

Sales Engineer

Evoqua Water Technologies LLC

Water Technologies Business Unit

14250 Gannet Street

La Mirada, CA 90638

patricia.tinnerino@Evoqua.com

cc: File

Proposal: On-site Turnkey Carbon Exchange Services

MAJOR COMPONENTS / DESCRIPTION OF SERVICES

The existing equipment consists of one vapor phase vessel with containing 10,000 lbs of GAC on the top and 10,000 lb of GAC on the bottom. An additional 7000 lb single bed vapor treatment unit is also on site. Screens and grating need to be removed on the top and bottom and replaced after the changing of the carbon.

Evoqua will arrive with the following:

- (1 or 2) 2 Man crews (2-4 technicians) – The total number of men will vary depending on if both carbon units can be serviced during one service day.
- Service Trucks/ truck mounted vacuum PTO system; Hurricane hydro-cyclone vacuum system(s)
- Reach Lift; Safety gear-PPE
- Spent carbon containers; spent carbon transportation (non Haz) to spent carbon reactivation
 - plant for reactivation/recycle/return; NH Manifest; labels
- 27,000 lbs carbon for refill;
- Loading/offloading at branch and site
- Other preparation at branch and site to perform SPSA and other job assessments upon arrival.
- Scope includes Ladders, tools and other ancillary equipment to perform the below services.

This proposal includes the following:

- Supply 27,400 lbs of Reactivated VOCarb® S Series.
 - One vessel containing 20,000 lbs of GAC and specific activities for the vessel as follows:
 - Top screens need to be removed
 - Spent GAC to be vacuumed out of the top of the vessel.
 - Screens on bottom removed. Spent GAC vacuumed out.
 - Visual inspection of internals to occur.
 - Confined space entry is included in this scope.
 - 10,000 lbs of GAC to be installed on the bottom of the unit.
 - Screens and grating need to be replaced on bottom unit.
 - 10,000 lbs of GAC to be installed on the top of the unit.
 - Screens and grating need to be replaced on top of the unit.
 - Evoqua personnel will remain on site until the unit is started up again. If there is a problem (i.e. – carbon blowing out the stack) Evoqua will remain on site to fix the problem. .
 - One vessel containing 7000 lbs of GAC and specific activities for the vessel as follows:
 - Top screens need to be removed
 - Spent GAC to be vacuumed out of the top of the vessel.
 - Visual inspection of internals to occur.
 - 7000 lbs of GAC to be installed in the unit.
 - Screens to be replaced.
 - Evoqua personnel will remain on site until the unit is started up again.
- Time on site to perform these services, nte time of arrival to time of exit site:
- Option #1- Service both carbon vessels (27,400 lbs) in one service day: (1) technician – 5.5 hours (2) technicians 6.5 hours (1) technician 7 hours

- Option #2- Service each carbon vessel separately over two different mobilizations:
20,000 lbs unit: (3) technicians 5 hours
7,000 lbs unit: (2) technicians 3 hours

SPENT CARBON REACTIVATION FOR RE-USE

For spent carbon services, Evoqua will generate a Certificate of Reactivation for your exhausted Non-Haz spent carbon from the Evoqua' owned Red Bluff, CA or Parker, Az. spent carbon reactivation plants. The Evoqua' React/Return program from our Reactivation plants is highly efficient in controlling cost increases while maintaining quality product into your system.

SERVICE CREWS

Evoqua will provide the services of the activated carbon with our employed, trained and certified personnel. Our service equipment is company owned slurry trailers (large liquid phase) and vacuum/Truck (Vapor) equipment. All Evoqua full time employed service technicians/drivers have the following minimum certifications:

- ❖ Class A Drivers – (Slurry/tractor trailer) – up to 80K GVW
- ❖ Class B Drivers – Standard Service commercial Vehicles
- ❖ All Drivers are TSA Certified (DMV)
- ❖ TWIC – Transportation Worker Identification Credentials – Port/Maritime site access.
- ❖ DOT Medical Certifications
- ❖ All Drivers have Hazardous Waste Endorsement
- ❖ 40 Hour OSHA Haz training certification
- ❖ OSHA Confined Space certification
- ❖ Certified Power Industrial Truck Operator (PIT)
- ❖ LPS – Behavioral Based Loss Prevention System Training Certification
- ❖ API Work Safe Certification
- ❖ ASAP – (random) Drug Program
- ❖ Medic First Aid Training
- ❖ Plus site specific /industry training certifications

SERVICE PRICING

Labor and Materials – Option #1 – Both vessels in one mobilization

Empty and refill of (2) vapor vessels, (1) each 7000 lb and (1) each 20,000 lbs, as outlined herein. \$16,646.96

Total spent GAC removed: 27,000 lbs

Total VOCarb S reactivated GAC refilled: 27,000 lbs

Labor and Materials – Option #2 – Vessels serviced over two mobilizations.

Empty and refill of (2) vapor vessels, (1) each 7000 lb and (1) each 20,000 lbs, as outlined herein. \$17,477.88

Total spent GAC removed: 27,000 lbs

Total VOCarb S reactivated GAC refilled: 27,000 lbs

**Spent Carbon Analytical / Profiling Fee
Non Haz**

Waived

Availability

- This carbon is readily available, and Evoqua can schedule a change out for your upcoming service. (Monday thru Friday)
- Regular service proposed includes the NTE hours as outlined above, of on-site labor and assumes the vessel is readily accessible and the spent GAC can be removed via standard extraction methods. Spent carbon must be free-flowing and free of foreign contaminants or debris.

On-site time required beyond the time allotted in this proposal, due to unforeseen site conditions (such as, inaccessibility, solidified carbon, standbys or site delays that would prohibit performing the change out, carbon vessels requiring repair, or refill of the vessels, etc.) may be subject to additional labor hours at \$165/man/hour or \$200/man/hour for confined space and \$2.55 mile vehicle travel. Additional materials and rentals, unless specified above, will be invoiced at cost plus 15 percent.

Terms & Conditions

- **Pricing is inclusive of any local, state, or federal taxes or fees**
- Please refer to the above date and SFA proposal number on all purchase orders and executed documents.
- Spent carbon disposal / reactivation service is contingent upon profile approval completion (typically 5-10 business days upon receipt of representative spent carbon sample and Spent Carbon Profile Form).
- Pricing is valid for thirty (30) days from the date of this proposal.
- Payment terms are net 30 days with approved credit.
- Evoqua Water Technologies LLC terms and conditions are attached hereto and are incorporated into this proposal by reference.

Attachments: Table 1: Scope of Supply Checklist
 Evoqua Water Technologies LLC Terms and Conditions

TABLE ONE SCOPE OF SUPPLY CHECK LIST

No	Work Scope Item	Others	Evoqua Industry, Inc.
1	Field Service Technician – 2 technicians, Time on site as outlined in proposal		X
2	Trucks, Vacuum(s) and Packaging (supersacks or Totes) for spent carbon storage		X
3	Supply of total 27,000 lbs. of reactivated carbon returned for refill		X
4	Removal of total 27,000 lbs. of spent carbon from adsorber(s)		X
6	Transport of spent carbon to the reactivation facility via a certified transporter as Non Haz		X
7	Reactivation of spent carbon (Non Haz) at profile approved reactivation facility – Red Bluff, CA or Parker, Az.		X
8	Provide complete and signed Spent Carbon Profile Form and sample of spent carbon for profile testing.	X	
10	Provide free and clear access of vacuum trailer to the adsorber (within 25 feet). Provide clear access for crews to perform their work in a timely manner, including exclusion of work area of other workers and equipment.	X	
11	Supply of necessary utilities for transfer, if required. N/A	X	
12	Provide clear overhead access to top of adsorber for filling with replacement carbon.	X	
13	Provide fork lift/Reach Lift for loading/unloading of spent/replacement carbon to/from the trailer.		X
14	Signature on all required manifests and associated forms for shipment of spent carbon. Reference must be made to the approved Spent Carbon Profile number.	X	

EVOQUA WATER TECHNOLOGIES LLC

Standard Terms of Sale

1. **Applicable Terms.** These terms govern the purchase and sale of equipment, products, related services, leased products, and media goods if any (collectively herein "Work"), referred to in Seller's proposal ("Seller's Documentation"). Whether these terms are included in an offer or an acceptance by Seller, such offer or acceptance is expressly conditioned on Buyer's assent to these terms. Seller rejects all additional or different terms in any of Buyer's forms or documents.
2. **Payment.** Buyer shall pay Seller the full purchase price as set forth in Seller's Documentation. Unless Seller's Documentation specifically provides otherwise, freight, storage, insurance and all taxes, levies, duties, tariffs, permits or license fees or other governmental charges relating to the Work or any incremental increases thereto shall be paid by Buyer. If Seller is required to pay any such charges, Buyer shall immediately reimburse Seller. If Buyer claims a tax or other exemption or direct payment permit, it shall provide Seller with a valid exemption certificate or permit and indemnify, defend and hold Seller harmless from any taxes, costs and penalties arising out of same. All payments are due within 30 days after receipt of invoice. Buyer shall be charged the lower of 1 ½% interest per month or the maximum legal rate on all amounts not received by the due date and shall pay all of Seller's reasonable costs (including attorneys' fees) of collecting amounts due but unpaid. All orders are subject to credit approval by Seller. Back charges without Seller's prior written approval shall not be accepted.
3. **Delivery.** Delivery of the Work shall be in material compliance with the schedule in Seller's Documentation. Unless Seller's Documentation provides otherwise, delivery terms are ExWorks Seller's factory (Incoterms 2010). Title to all Work shall pass upon receipt of payment for the Work under the respective invoice. Unless otherwise agreed to in writing by Seller, shipping dates are approximate only and Seller shall not be liable for any loss or expense (consequential or otherwise) incurred by Buyer or Buyer's customer if Seller fails to meet the specified delivery schedule.
4. **Ownership of Materials and Licenses.** All devices, designs (including drawings, plans and specifications), estimates, prices, notes, electronic data, software and other documents or information prepared or disclosed by Seller, and all related intellectual property rights, shall remain Seller's property. Seller grants Buyer a non-exclusive, non-transferable license to use any such material solely for Buyer's use of the Work. Buyer shall not disclose any such material to third parties without Seller's prior written consent. Buyer grants Seller a non-exclusive, non-transferable license to use Buyer's name and logo for marketing purposes, including but not limited to, press releases, marketing and promotional materials, and web site content.
5. **Changes.** Neither party shall implement any changes in the scope of Work described in Seller's Documentation without a mutually agreed upon change order. Any change to the scope of the Work, delivery schedule for the Work, any Force Majeure Event, any law, rule, regulation, order, code, standard or requirement which requires any change hereunder shall entitle Seller to an equitable adjustment in the price and time of performance.
6. **Force Majeure Event.** Neither Buyer nor Seller shall have any liability for any breach or delay (except for breach of payment obligations) caused by a Force Majeure Event. If a Force Majeure Event exceeds six (6) months in duration, the Seller shall have the right to terminate the Agreement without liability, upon fifteen (15) days written notice to Buyer, and shall be entitled to payment for work performed prior to the date of termination. "Force Majeure Event" shall mean events or circumstances that are beyond the affected party's control and could not reasonably have been easily avoided or overcome by the affected party and are not substantially attributable to the other party. Force Majeure Event may include, but is not limited to, the following circumstances or events: war, act of foreign enemies, terrorism, riot, strike, or lockout by persons other than by Seller or its sub-suppliers, natural catastrophes or (with respect to on-site work), unusual weather conditions.
7. **Warranty.** Subject to the following sentence, Seller warrants to Buyer that the (i) Work shall materially conform to the description in Seller's Documentation and shall be free from defects in material and workmanship and (ii) the Services shall be performed in a timely and workmanlike manner. Determination of suitability of treated water for any use by Buyer shall be the sole and exclusive responsibility of Buyer. The foregoing warranty shall not apply to any Work that is specified or otherwise demanded by Buyer and is not manufactured or selected by Seller, as to which (i) Seller hereby assigns to Buyer, to the extent assignable, any warranties made to Seller and (ii) Seller shall have no other liability to Buyer under warranty, tort or any other legal theory. The Seller warrants the Work, or any components thereof, through the earlier of (i) eighteen (18) months from delivery of the Work or (ii) twelve (12) months from initial operation of the Work or ninety (90) days from the performance of services (the "Warranty Period"). If Buyer gives Seller prompt written notice of breach of this warranty within the Warranty Period, Seller shall, at its sole option and as Buyer's sole and exclusive remedy, repair or replace the subject parts, re-perform the Service or refund the purchase price. Unless otherwise agreed to in writing by Seller, (i) Buyer shall be responsible for any labor required to gain access to the Work so that Seller can assess the available remedies and (ii) Buyer shall be responsible for all costs of installation of repaired or replaced Work. If Seller determines that any claimed breach is not, in fact, covered by this warranty, Buyer shall pay Seller its then customary charges for any repair or replacement made by Seller. Seller's warranty is conditioned on Buyer's (a) operating and maintaining the Work in accordance with Seller's instructions, (b) not making any unauthorized repairs or alterations, and (c) not being in default of any payment obligation to Seller. Seller's warranty does not cover (i) damage caused by chemical action or abrasive material, misuse or improper installation (unless installed by Seller) and (ii) media goods (such as, but not limited to, resin, membranes, or granular activated carbon media) once media goods are installed. THE WARRANTIES SET FORTH IN THIS SECTION 7 ARE THE SELLER'S SOLE AND EXCLUSIVE WARRANTIES AND ARE SUBJECT TO THE LIMITATION OF LIABILITY PROVISION BELOW. SELLER MAKES NO OTHER WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR PURPOSE.
8. **Indemnity.** Seller shall indemnify, defend and hold Buyer harmless from any claim, cause of action or liability incurred by Buyer as a result of third party claims for personal injury, death or damage to tangible property, to the extent caused by Seller's negligence. Seller shall have the sole authority to direct the defense of and settle any indemnified claim. Seller's indemnification is conditioned on Buyer (a) promptly, within the Warranty Period, notifying Seller of any claim, and (b) providing reasonable cooperation in the defense of any claim.

9. **Assignment.** Neither party may assign this Agreement, in whole or in part, nor any rights or obligations hereunder without the prior written consent of the other party; provided, however, the Seller may assign its rights and obligations under these terms to its affiliates or in connection with the sale or transfer of the Seller's business and Seller may grant a security interest in the Agreement and/or assign proceeds of the agreement without Buyer's consent.

10. **Termination.** Either party may terminate this agreement, upon issuance of a written notice of breach and a thirty (30) day cure period, for a material breach (including but not limited to, filing of bankruptcy, or failure to fulfill the material obligations of this agreement). If Buyer suspends an order without a change order for ninety (90) or more days, Seller may thereafter terminate this Agreement without liability, upon fifteen (15) days written notice to Buyer, and shall be entitled to payment for work performed, whether delivered or undelivered, prior to the date of termination.

11. **Dispute Resolution.** Seller and Buyer shall negotiate in good faith to resolve any dispute relating hereto. If, despite good faith efforts, the parties are unable to resolve a dispute or claim arising out of or relating to this Agreement or its breach, termination, enforcement, interpretation or validity, the parties will first seek to agree on a forum for mediation to be held in a mutually agreeable site. If the parties are unable to resolve the dispute through mediation, then any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, shall be determined by arbitration in Pittsburgh, Pennsylvania before three arbitrators who are lawyers experienced in the discipline that is the subject of the dispute and shall be jointly selected by Seller and Buyer. The arbitration shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures. The Arbitrators shall issue a reasoned decision of a majority of the arbitrators, which shall be the decision of the panel. Judgment may be entered upon the arbitrators' decision in any court of competent jurisdiction. The substantially prevailing party as determined by the arbitrators shall be reimbursed by the other party for all costs, expenses and charges, including without limitation reasonable attorneys' fees, incurred by the prevailing party in connection with the arbitration. For any order shipped outside of the United States, any dispute shall be referred to and finally determined by the International Center for Dispute Resolution in accordance with the provisions of its International Arbitration Rules, enforceable under the New York Convention (Convention on the Recognition and Enforcement of Foreign Arbitral Awards) and the governing language shall be English.

12. **Export Compliance.** Buyer acknowledges that Seller is required to comply with applicable export laws and regulations relating to the sale, exportation, transfer, assignment, disposal and usage of the Work provided under this Agreement, including any export license requirements. Buyer agrees that such Work shall not at any time directly or indirectly be used, exported, sold, transferred, assigned or otherwise disposed of in a manner which will result in non-compliance with such applicable export laws and regulations. It shall be a condition of the continuing performance by Seller of its obligations hereunder that compliance with such export laws and regulations be maintained at all times. BUYER AGREES TO INDEMNIFY AND HOLD SELLER HARMLESS FROM ANY AND ALL COSTS, LIABILITIES, PENALTIES, SANCTIONS AND FINES RELATED TO NON-COMPLIANCE WITH APPLICABLE EXPORT LAWS AND REGULATIONS.

13. **LIMITATION OF LIABILITY.** NOTWITHSTANDING ANYTHING ELSE TO THE CONTRARY, SELLER SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, SPECIAL, PUNITIVE OR OTHER INDIRECT DAMAGES, AND SELLER'S TOTAL LIABILITY ARISING AT ANY TIME FROM THE SALE OR USE OF THE WORK, INCLUDING WITHOUT LIMITATION ANY LIABILITY FOR ALL WARRANTY CLAIMS OR FOR ANY BREACH OR FAILURE TO PERFORM ANY OBLIGATION UNDER THE CONTRACT, SHALL NOT EXCEED THE PURCHASE PRICE PAID FOR THE WORK. THESE LIMITATIONS APPLY WHETHER THE LIABILITY IS BASED ON CONTRACT, TORT, STRICT LIABILITY OR ANY OTHER THEORY.

14. **Rental Equipment / Services.** Any leased or rented equipment ("Leased Equipment") provided by Seller shall at all times be the property of Seller with the exception of certain miscellaneous installation materials purchased by the Buyer, and no right or property interest is transferred to the Buyer, except the right to use any such Leased Equipment as provided herein. Buyer agrees that it shall not pledge, lend, or create a security interest in, part with possession of, or relocate the Leased Equipment. Buyer shall be responsible to maintain the Leased Equipment in good and efficient working order. At the end of the initial term specified in the order, the terms shall automatically renew for the identical period unless canceled in writing by Buyer or Seller not sooner than three (3) months nor later than one (1) month from termination of the initial order or any renewal terms. Upon any renewal, Seller shall have the right to issue notice of increased pricing which shall be effective for any renewed terms unless Buyer objects in writing within fifteen (15) days of issuance of said notice. If Buyer timely cancels service in writing prior to the end of the initial or any renewal term this shall not relieve Buyer of its obligations under the order for the monthly rental service charge which shall continue to be due and owing. Upon the expiration or termination of this Agreement, Buyer shall promptly make any Leased Equipment available to Seller for removal. Buyer hereby agrees that it shall grant Seller access to the Leased Equipment location and shall permit Seller to take possession of and remove the Leased Equipment without resort to legal process and hereby releases Seller from any claim or right of action for trespass or damages caused by reason of such entry and removal.

15. **Miscellaneous.** These terms, together with any Contract Documents issued or signed by the Seller, comprise the complete and exclusive statement of the agreement between the parties (the "Agreement") and supersede any terms contained in Buyer's documents, unless separately signed by Seller. No part of the Agreement may be changed or cancelled except by a written document signed by Seller and Buyer. No course of dealing or performance, usage of trade or failure to enforce any term shall be used to modify the Agreement. To the extent the Agreement is considered a subcontract under Buyer's prime contract with an agency of the United States government, in case of Federal Acquisition Regulations (FARs) flow down terms, Seller will be in compliance with Section 44.403 of the FAR relating to commercial items and those additional clauses as specifically listed in 52.244-6, Subcontracts for Commercial Items (OCT 2014). If any of these terms is unenforceable, such term shall be limited only to the extent necessary to make it enforceable, and all other terms shall remain in full force and effect. The Agreement shall be governed by the laws of the Commonwealth of Pennsylvania without regard to its conflict of laws provisions. Both Buyer and Seller reject the applicability of the United Nations Convention on Contracts for the international sales of goods to the relationship between the parties and to all transactions arising from said relationship.

IN WITNESS WHEREOF, the terms and conditions of this proposal are hereby accepted by both Buyer and Seller, who have caused this Agreement to be executed by the signatures of their duly authorized representatives below:

EVOQUA WATER TECHNOLOGIES LLC (SELLER)

NAME: _____

SIGNATURE: _____

TITLE: _____

DATE: _____

BUYER

NAME: _____

SIGNATURE: _____

TITLE: _____

DATE: _____

12.3 Granular Activated Carbon - Vapor Phase

	<u>4 x 8 Reactivated Coconut GAC</u> Option #1 - 1 Mobilization	Option #2 - 2 Mobilizations
Quantity (lbs) :	27,000	27,000
Unit Price ^[1] :	\$16,646.96	\$17,477.88
Tax :	\$0.00	\$0.00
Energy Surcharge :	included above	included above
Other ^[2] :		
<u>Total Unit Cost</u> :	\$16,646.96	\$17,477.88

Notes:

[1] Cost includes, but is not limited to transport, delivery, and loading as specified in this RFP.

[2] If not included in the 'Unit Price', please indicate cost for additional items, if including during typical carbon service (i.e. inspection, equipment rentals, etc.).

Please list additional items included during typical carbon service (inspection, equipment rentals, etc.) and items that may not necessarily be included during typical carbon service (i.e. confined space entry, waste profile, equipment rentals, additional hauling, etc.). If costs have not already been included in the previous bid schedule table, please provide costs for these additional items.

<u>Items Included during Typical Carbon Service</u>	<u>Cost</u>
3) Vessel Inspection	included
4) Equipment Rentals	Forklift and reach lift included
5) Other (please indicate):	Profile Fee: Non- Haz WAIVED RCRA Haz WAIVED
<u>Items Not Necessarily Included during Typical Carbon Service</u>	<u>Cost</u>
6) Confined Space Entry	included
7) Additional Hauling	N/A
8) Equipment Rentals	N/A
9) Other (please indicate):	

Provide the adsorption capacity and pressure drop information for the vapor phase carbon.

	<u>Reactivated Coconut GAC</u>	
Adsorption Capacity (lbs of VOC per 1,000 lbs of GAC) :	See attached herin regarding affect of operating conditions, relatvie humidity/water vapor, due to air direct from Air Stripper system; regarding the adsorption capacity and roll over	
Pressure Drop Across GAC Bed (inches WC) :	The pressure drop across the GAC bed will be affected by the high relative humidity in the system and other existing operating parameters. See attached information on the pressure drop curve of the Reactivated Carbon, based on new systems atartup without other operational issues.	
	Please provide exisiting pressure drop through each vessel, with existing carbon, to better determine the pressure drop with other carbons to replicate exisiting operational conditions and Evoqua will provide immediately.	



WESTATES® GRANULAR REACTIVATED CARBON - VOCARB® S SERIES CARBONS

VOCARB® NS, VOCARB® RS, VOCARB® RSD CARBONS

For Gas Phase Adsorption Applications

Description

VOCarb® S Series carbons are produced through thermal reactivation of approved grades of spent carbon at one of our state-of-the-art ISO 14001 certified reactivation facilities. Through careful control of the residence time in the reactivation furnace, reactivation temperature, and reactivation gas composition, adsorbed contaminants on the spent carbon are removed and destroyed, and the carbon's internal pore structure is maintained as close to virgin condition as possible. VOCarb S Series reactivated carbons are pooled from a variety of sources, ensuring consistent product properties. The resulting carbon serves as an excellent economic alternative to virgin carbon for the removal of a broad range of organic contaminants from a variety of gas phase streams.

Applications

Cost effective VOCarb S Series reactivated carbons have been demonstrated to provide excellent performance in a variety of vapor phase treatment applications, including the following:

- Chemical process applications
- VOC control from air strippers, soil vapor extraction and air sparge systems
- Control of tank vent emissions
- HVAC
- Odor Control

Quality Control

Evoqua' laboratories are fully equipped to provide complete quality control analysis using ASTM standard test methods in order to assure the consistent quality of all Westates® carbons.

Our technical staff offers hands-on guidance in selecting the most appropriate system, operating conditions and carbon to meet your needs. For more information contact your nearest Evoqua representative. performed at our certified laboratory. When requested, a certificate of reactivation will be issued.

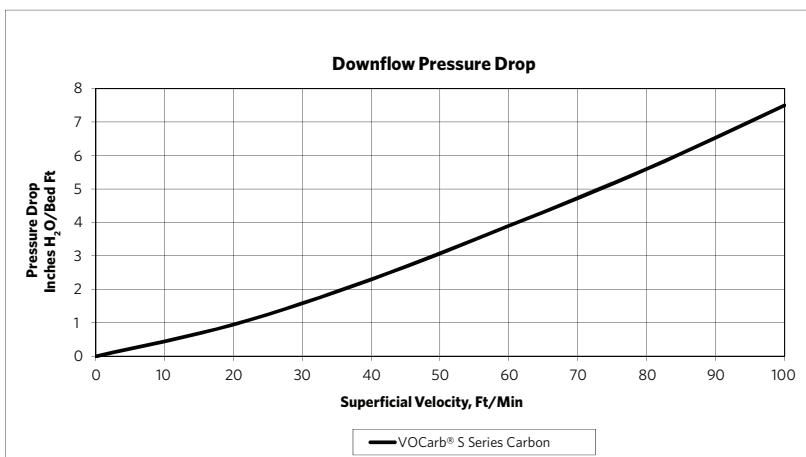
FEATURES AND BENEFITS

- Reactivated carbons serve as an economical alternative to virgin carbon in many applications
- Use of reactivated carbons reduces the volume of spent carbon sent to landfill and encourages responsible usage of natural resources
- A detailed quality assurance program guarantees consistent a from lot to lot and shipment to shipment
- Pooled reactivated carbons provide consistent properties and performance
- Reactivated carbons produced at ISO 14001 certified reactivation facilities, ensuring minimization of environmental liability and continued benchmarking, against best practice standards for environmental management

TYPICAL PROPERTIES

Parameter	VOCarb® S Carbon
Carbon Type	Reactivated Coconut/Coal
Mesh Size, U.S. Sieve	4 x 10
Butane Activity ⁽¹⁾	19.5 - 23.5
Apparent Density, g/cc	0.45 - 0.56
Moisture as Packed, Wt. %	2
CTC Activity ⁽¹⁾	50 - 60

⁽¹⁾ Butane activity (D5742) has been adopted by ASTM as a replacement for CTC activity (D3467) as a test method for estimating the micropore volume of an activated carbon.



Warning

The adsorption of organic compounds onto activated carbon generates heat. In rare instances, adsorbed compounds may also react on the carbon surface to generate additional heat. If these heat sources are not properly dissipated, the carbon bed temperature may rise to the point where the carbon can ignite, leading to a fire or other hazardous condition.

A description of industry-accepted engineering practices to assure the dissipation of heat and safe operation of the carbon bed can be provided upon request. In certain applications where the risk of ignition is significant, activated carbon may not be a recommended treatment technology. Please contact your Technical Sales Representative for more details.

Wet activated carbon readily adsorbs atmospheric oxygen. Dangerously low oxygen levels may exist in closed vessels or poorly ventilated storage areas. Workers should follow all applicable state and federal safety guidelines for entering oxygen depleted areas.



4800 North Point Parkway, Suite 250, Alpharetta, GA 30022

+1 (866) 926-8420 (toll-free) +1 (978) 614-7233 (toll)

www.evoqua.com

Westates and VOCarb are trademarks of Evoqua, its subsidiaries or affiliates, in some countries.

All information presented herein is believed reliable and in accordance with accepted engineering practices. Evoqua makes no warranties as to the completeness of this information. Users are responsible for evaluating individual product suitability for specific applications. Evoqua assumes no liability whatsoever for any special, indirect or consequential damages arising from the sale, resale or misuse of its products.

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JANUARY 9, 2019

REPORT OF THE WATERMASTER ENGINEER
ON HYDROLOGIC CONDITIONS

 **Baldwin Park Key Well (see attached graph)**

- Located in the central portion of the San Gabriel Valley within the City of Baldwin Park and used as a general indication of water elevations throughout the San Gabriel Valley
- One vertical foot is equivalent to about 8,000 acre-feet of groundwater in the Main Basin
- On November 28, 2018, the Baldwin Park Key Well groundwater elevation was 170.2 feet.
- On December 28, 2018, the Baldwin Park Key Well groundwater elevation was 175.4 feet, **an increase of 1.2 feet** from the prior week. **The new historical low was 169.4 feet on November 21, 2018.**
 - ❖ An increase of about 6 feet from the prior month. Exclusively the result of delivery of about 35,000 acre-feet of untreated imported water to satisfy Upper District's Resource Development Water requirement to Watermaster and Producer Cyclic Storage requests.
 - ❖ About 6 feet lower than one year ago (represents 56,000 acre-feet). Includes an estimated 160,700 acre-feet of untreated imported water in cyclic storage accounts (about 113,200 acre-feet in cyclic storage accounts and about 47,500 acre-feet in MWD Pre-Delivery account), which represents about 20 feet of groundwater elevation at the Key Well.

 **Rainfall (see attached graphs)**

- Data are readily available on a daily basis and are indicative of comparative amount of rainfall in the San Gabriel Valley (percent of average)
- Puddingstone Dam as of December 31, 2018
 - ❖ Average rainfall from July 1st through December 31st of each year is 6.00 inches
 - ❖ Rainfall during July 1, 2018 through December 31, 2018 is 5.95 inches, which is 99 percent of average
 - ❖ Rainfall during July 1, 2017 through December 31, 2017 was 0.11 inches, which was 2 percent of average
 - ❖ Rainfall during July 1, 2017 through June 30, 2018 was 7.03 inches, which was 39 percent of average

- Los Angeles Civic Center as of December 31, 2018
 - ❖ Average rainfall from July 1st through December 31st of each year is 4.12 inches
 - ❖ Rainfall during July 1, 2018 through December 31, 2018 is 4.26 inches, which is 103 percent of average
 - ❖ Rainfall during July 1, 2017 through December 31, 2017 was 0.19 inches, which was 5 percent of average
 - ❖ Rainfall during July 1, 2017 through June 30, 2018 was 4.79 inches, which was 32 percent of average

✚ **Reservoir Storage and Releases**

- There are three dams and reservoirs located along the San Gabriel River above San Gabriel Canyon. Their primary function is for flood control and also used to store watershed runoff for subsequent groundwater replenishment.
 - ❖ Cogswell Reservoir is located highest in the watershed and has a maximum storage capacity of 10,438 acre-feet
 - ❖ San Gabriel Reservoir is located downstream of and receives releases from Cogswell Reservoir, and has a maximum storage capacity of 44,106 acre-feet
 - ❖ Morris Reservoir is located downstream of and receives releases from San Gabriel Reservoir, and has a maximum storage capacity of 29,944 acre-feet. Releases from Morris Reservoir and San Gabriel Reservoir are used at local surface water treatment plants and used for groundwater replenishment
 - ❖ Total storage capacity is 84,488 acre-feet
 - ❖ The combined minimum pool behind Cogswell, San Gabriel and Morris Reservoirs is about 10,500 acre-feet.
 - ❖ Combined storage as of December 31, 2018 was 22,063 acre-feet (about 26 percent of capacity). **Excluding minimum pool storage, about 11,600 acre-feet is available for direct use or groundwater replenishment.**
 - ❖ San Gabriel Reservoir inflow was 22 cfs and release was 2 cfs as of December 31, 2018. (a portion of that release was delivered to Committee Azusa Conduit)
 - ❖ Morris Reservoir inflow was 0 cfs and release was 0 cfs as of December 31, 2018.

✚ **Untreated Imported Water Deliveries**

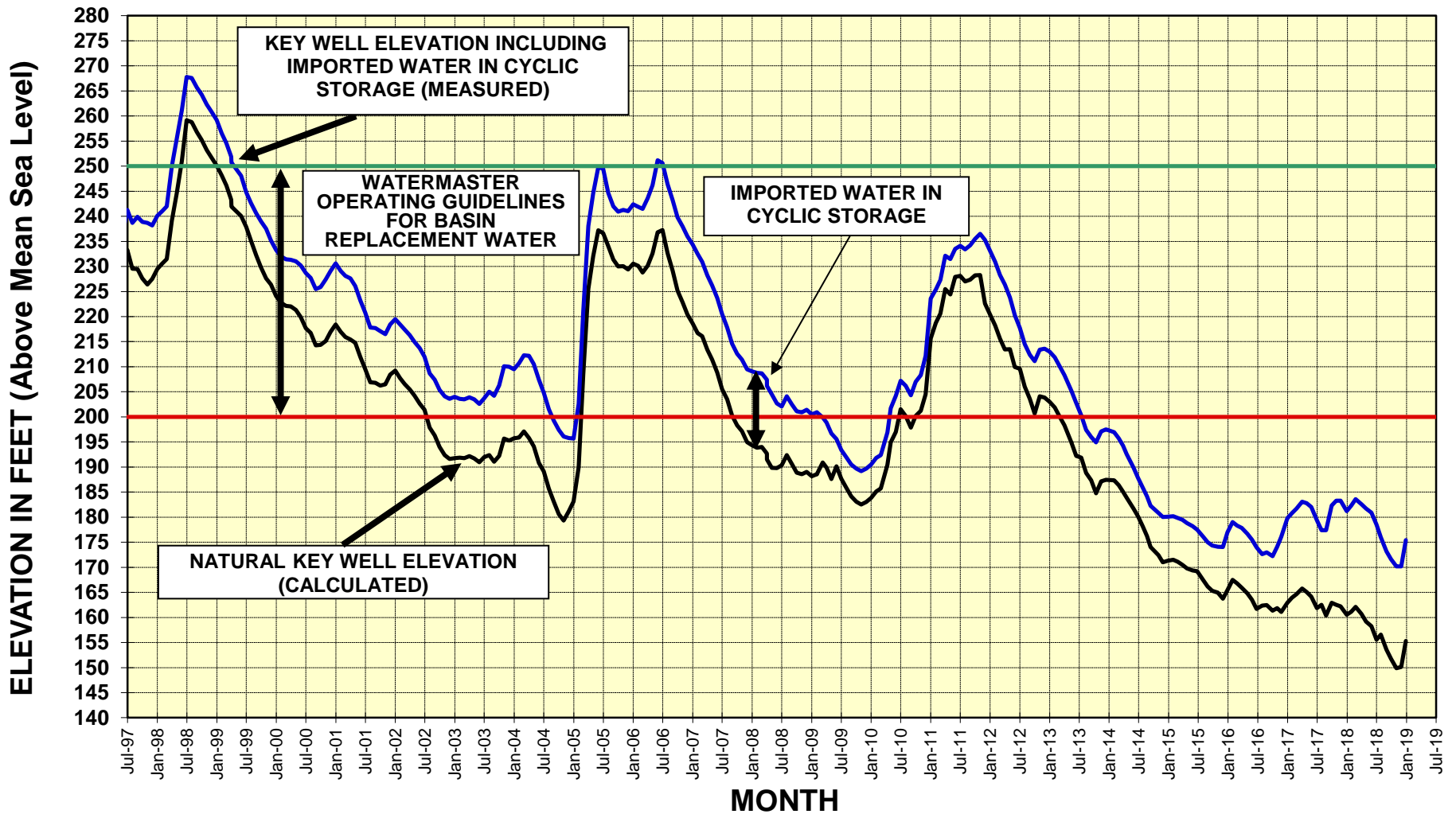
- Upper District
 - ❖ USG-3 is located in San Gabriel Canyon just below Morris Dam, it represents Upper District's primary point of delivery of untreated imported water for groundwater replenishment to the San Gabriel Valley. The typical delivery rate is about 190 cfs (or about 375 acre-feet per day)

- Under the MWD Pre-delivery Agreement, MWD delivered 53,530.4 acre-feet through USG-3 and received a cyclic storage transfer of 5,000 acre-feet from San Gabriel District. Upper District and Watermaster paid MWD for 16,000 acre-feet in December 2017.
 - Upper District requested 36,800 acre-feet to be delivered through USG-3 and San Gabriel District’s pipeline. Based on deliveries, Key Well is expected to increase by about 5 feet.
 - Upper District delivered 933.4 acre-feet through USG-3 during October 2018.
 - Upper District delivered 17,032.9 acre-feet through USG-3 during November 2018.
 - Upper District deliveries for December 2018 are estimated to be about 17,000 acre-feet.
 - Upper District will deliver approximately 3,550 acre-feet through San Gabriel District’s pipeline to the San Gabriel River at a flow rate of about 42 cfs starting in November 2018 and deliveries will be completed by December 31, 2018.
 - Upper District delivered 427 acre-feet to the San Gabriel Canyon Spreading Grounds and 882 acre-feet to the San Gabriel River during November 2018.
- Three Valleys District
- ❖ Three Valleys District did not make deliveries through USG-3 during November 2018.
 - ❖ Three Valleys District delivered 304.1 acre-feet through PM-26 during November 2018.
 - ❖ Three Valleys District/MWD delivered 1,011 acre-feet to the San Gabriel Canyon Spreading Grounds during November 2018.
- San Gabriel District
- ❖ San Gabriel District did not make deliveries to the San Gabriel Canyon Spreading Grounds during November 2018.
 - ❖ San Gabriel District did not make deliveries to the San Dimas Spreading Grounds during November 2018.
 - ❖ San Gabriel District did not make deliveries to the San Gabriel River during November 2018.

 **Landfill Report**

- Watermaster staff toured the following landfills during the month of December 2018:
 - ❖ Azusa Land Reclamation
 - ❖ Peck Road
 - ❖ Arcadia Reclamation Inc. (formerly Nu Way – Arrow)
 - ❖ Manning Pit
- During the tour, Watermaster staff found that each landfill appeared to operate consistent with the conditions under each landfill's permit.

Z:\Jobs\1205\1205-01\Engineer's Report\ENGINEERS REPORT for WM Board members.doc



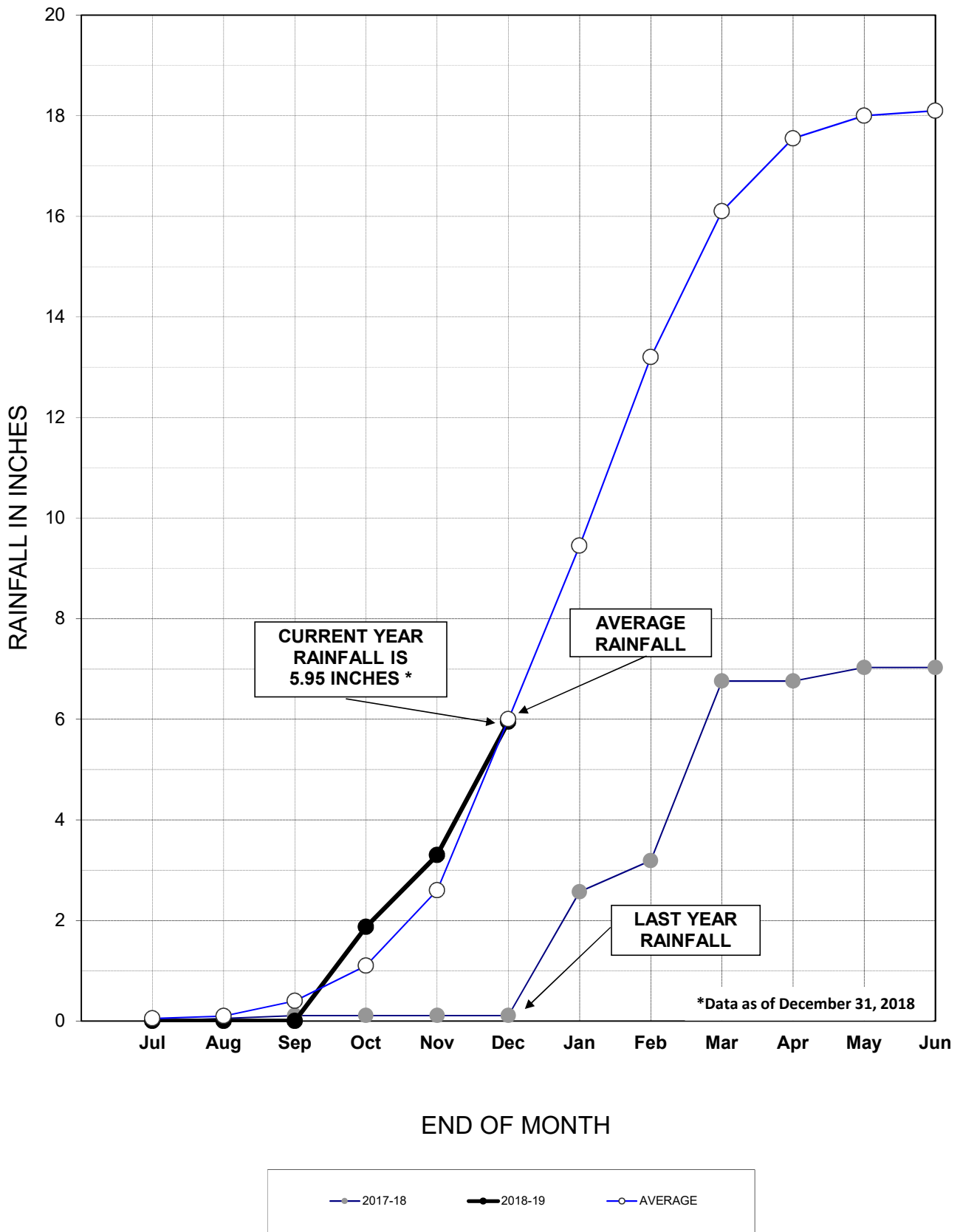
STETSON ENGINEERS INC.

Covina San Rafael Mesa, Arizona

WATER RESOURCE ENGINEERS

MAIN SAN GABRIEL BASIN WATERMASTER

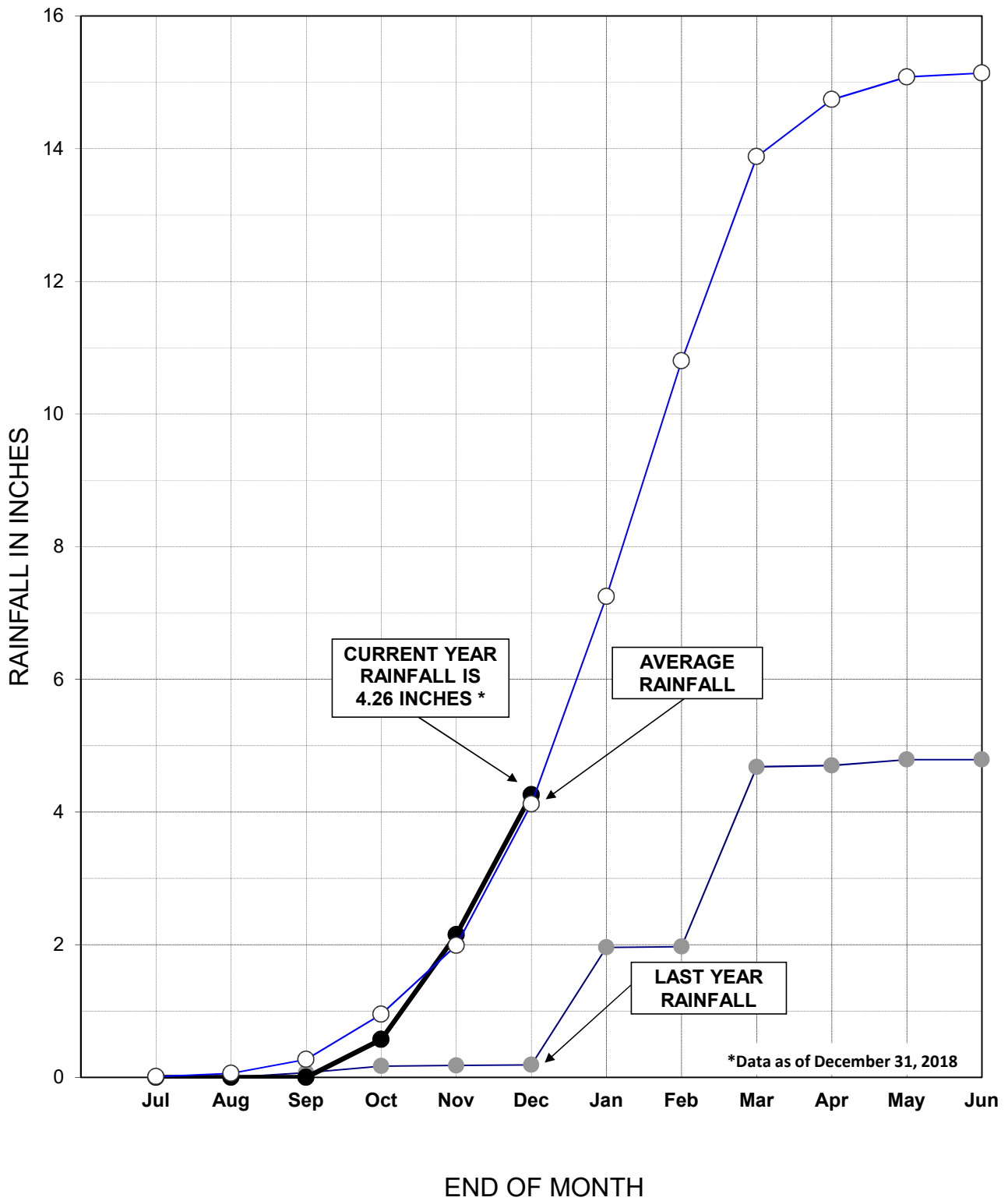
**BALDWIN PARK KEY WELL
GROUNDWATER ELEVATION**



STETSON ENGINEERS INC.
 Covina San Rafael Mesa, Arizona
 WATER RESOURCE ENGINEERS

MAIN SAN GABRIEL BASIN WATERMASTER

**ACCUMULATED RAINFALL
 AT PUDDINGSTONE DAM (STATION NO. 96-C)**



*Data as of December 31, 2018



STETSON ENGINEERS INC.
 Covina San Rafael Mesa, Arizona
 WATER RESOURCE ENGINEERS

MAIN SAN GABRIEL BASIN WATERMASTER

**ACCUMULATED RAINFALL
 AT LOS ANGELES CIVIC CENTER**



Upcoming Events

To: Honorable Board of Directors

Date: January 14, 2019

Re: Upcoming Board Approved Meetings and Conferences for 2019.

Day/Date	Event	<u>Barajas</u>	<u>Escalera</u>	<u>Hastings</u>	<u>Hernandez</u>	<u>Rojas</u>
Thursday January 24, 2019	SCWUA – Luncheon at the Pomona Fairplex Sheraton 11:30 am.					
Wednesday February 6, 2019	SGVWA Quarterly Meeting (Breakfast) Pomona Valley Mining Co at 8:00 am					
Monday – Tuesday February 11 - 12, 2019	American Ground Water AGWA – AGWT Annual Conference at the Gateway Hotel in Ontario, CA.					
Thursday February 21, 2019	SCWUA – Luncheon at the Sheraton at Pomona Fairplex at 11:30 am.					
Thursday – Friday March 28 - 29, 2019	Well Water Education for Latino Leaders at the Queen Mary Hotel in Long Beach, CA.					
Monday – Thursday March 25 - 28, 2019	AWWA CA/NV Spring Conference at the Sheraton Grand & Convention Center, Sacramento, CA.					
Tuesday - Friday, May 7 – 10, 2019	ACWA 2019 Spring Conference at the Monterey Conference Center, Portola Hotel and Monterey Marriott in Monterey, CA.					

Association of Ground Water Agencies - American Ground Water Trust

AGWA - AGWT Annual Conference

“Everything aquifers and groundwater management”



Monday, February 11 and Tuesday, February 12, 2019
Gateway Hotel, 2200 East Holt Boulevard, Ontario, California 91761



See website for field visit opportunity to Regional Recycled Water Program (transportation not provided)

Background

The first AGWA/AGWT joint conference was held in Ontario, CA in 2000. Since then, this annual event has provided an important information exchange and networking opportunity for California’s water agencies, utilities and water districts, and for all water professionals (scientific, engineering, managerial, legal, environmental, regulatory), end-users of water, and local and state elected officials involved with water policy issues. The focus of every program is on current groundwater management issues in California.

Continuing Education

Anticipated approval for CA Drinking Water Operators – 11 Contact Hours

2019 Conference Sponsors – sign-up now to join them!



Regional Recycled Water Advanced Purification Center

POST-CONFERENCE TOUR
Wednesday, Feb. 13th - Sign-up: www.agwt.org/events
9:30 am -11:30 am
Joint Water Pollution Control Plant, 24501 S. Figueroa Street, Carson, 90745

Learn about the Advanced Purification Center. A new demonstration facility that tests an innovative process to purify wastewater for groundwater replenishment. It could lead to a full-scale program that purifies 150 million gpd and replenishes four groundwater basins in Southern California, making it one of the largest of its kind in the world. The program is a partnership of The Metropolitan Water District of Southern California and the Sanitation Districts of Los Angeles County.



Monday February 11, 2019

7:30 – 8:30 REGISTRATION (Coffee & pastries – network with exhibitors)

8:30 – 8:40 OPENING REMARKS FROM AGWA AND AGWT
Anthony Zampiello, Chairman, Association of Ground Water Agencies
Andrew Stone, Executive Director, American Ground Water Trust

8:40 – 9:10 KICK-OFF PRESENTATION
METROPOLITAN WATER DISTRICT: UPDATE ON SOUTHERN CALIFORNIA REGIONAL GROUNDWATER CONDITIONS
Matthew D. Hacker, Senior Resource Specialist, Metropolitan Water District, Los Angeles, CA

9:10 – 9:40 THE ELUSIVE SUSTAINABILITY OBJECTIVE
GROUNDWATER SUSTAINABILITY PLANNING: GROUNDWATER MODELING TO EVALUATE GROUNDWATER/SURFACE WATER INTERACTIONS AND CLIMATE CHANGE IMPACTS
Abhishek Singh, PhD, PE, Manager - California Operations, Senior Water Resources Engineer, INTERA Inc. Torrance, CA
and Bryan Bondy, PG, CHG, Bondy Groundwater Consulting, Inc., (co-author recognition - David Jordan, PE, INTERA Inc.)

9:40 – 10:10 KEYNOTE PRESENTATION



NEW FUNDING FOR STORMWATER CAPTURE
Daniel Lafferty, Deputy Director, Water Resources, LA County Public Works, Los Angeles, CA

10:10 10:30 BREAK

11:30 – 12:00 Session 1
IDENTIFYING, QUANTIFYING AND DEALING WITH CONTAMINANTS OF EMERGING CONCERN (CECs)
(Including 1,2,3-TCP, hexavalent chromium, PPCPs, PFAS, perchlorate, 1-4,dioxane, NDMA and others!) Water agencies are faced with an urgent need to respond to concerns about health issues, property values, remediation options and infrastructure costs related to the identification, measurement and treatment of these compounds.
Moderator: Rick Zimmer, Senior Account Manager, Eurofins Eaton Analytical, LLC, Monrovia, CA
CECs IN THE LOS ANGELES (CENTRAL/WEST) BASIN
Brian Partington, Senior Hydrologist, Water Replenishment District of Southern California, Lakewood, CA
CECs IN THE ORANGE COUNTY GROUNDWATER BASIN
Patrick Versluis, Director of Water Quality, Orange County Water District, Fountain Valley, CA Presenter,
CECs IN THE SAN GABRIEL BASIN
Randy Schoellerman, Assistant Executive Director, San Gabriel Basin Water Quality Authority, West Covina, CA

12:00 – 1:00 LUNCH (provided)

1:00 – 2:20 - Session 2
PASO ROBLES BASIN - FIRST JURY TRIAL OVER GROUNDWATER RIGHTS IN CALIFORNIA
A Santa Clara County Superior Court jury found on Sept. 24, 2018 that a group of public water suppliers in San Luis Obispo County had the right to pump groundwater from a large groundwater basin in San Luis Obispo and Monterey Counties. The four-week trial pitted agricultural interests against public water suppliers during a time of extreme water tension due to drought and drought-like conditions in the State. What comes next?
Anthony Brown, CEO & Principal Hydrologist, Aquilogic, Costa Mesa, CA
Jeffrey V. Dunn, JD, Attorney, Partner, Best Best Krieger Law, Irvine, CA

2:20 – 3:50 Session 3
THE CLOUD & WATER RESOURCES MANAGEMENT
Moderator to be announced
In the natural hydrologic system, water moves from the meteorological clouds to aquifers. In the modern management of groundwater, the movement of hydrogeological data is from the ground to the cyberspace cloud. Management is the key to groundwater sustainability. Does the "cyberspace cloud" help?
NEXT GENERATION GROUNDWATER LEVEL INFORMATION SYSTEMS: EXTENDING WELL DATA NETWORKS BEYOND THE WELLFIELD TO INFORM OPERATION AND MANAGEMENT DECISIONS
Chuck Dunning, PhD, PG, Vice President Business Development, WelIntel, Milwaukee, WI
HELPING GSAS ACHIEVE SUSTAINABILITY USING FOCUSED GROUNDWATER MANAGEMENT SOFTWARE
Aaron Collier, PG, Vice President, Collier Consulting, Stephenville, TX
DEVELOPING A COMPREHENSIVE DATA MANAGEMENT SYSTEM FOR INDIAN WELLS VALLEY - PAINFUL BUT NECESSARY
Tim Parker, PG, CEG, CHG, President, Parker Groundwater, Sacramento, CA

3:50 – 4:00 BREAK

4:00 – 5:30

Session 4

DOWN-HOLE TECHNOLOGY FOR EFFICIENT GROUNDWATER PUMPING, RECHARGE AND WATER QUALITY CONTROL

Water engineers, consultants and agency managers can benefit from technology updates about what happens down a well. Water wells are engineered holes in the ground. The equipment that is selected for pumping, recharge and for refining well design can have significant economic impacts on construction and operation costs. Drawing up specifications for wells is best done with an understanding of equipment options and awareness of how advance information of subsurface geochemistry can inform pumping and treatment decisions.

Moderator: Andrew Stone, Executive Director, American Ground Water Trust, Concord, NH

RAPID HIGH RESOLUTION ZONAL AQUIFER GEOCHEMISTRY AND FLOW DOWN TO 3000 FEET

Noah Heller, President, Best Environmental Subsurface Science and Technologies, San Rafael, CA,

THE DESIGN AND OPERATION OF DOWNHOLE VALVE EQUIPMENT FOR EFFICIENT OPERATION IN AQUIFER STORAGE RECOVERY WELLS

Kent Madison, President, 3RValve LLC, Echo, OR

THE WELL PUMP IS THE HEART OF GROUNDWATER SYSTEMS: HOW TO SELECT THE RIGHT PUMP AND SIMPLE ROUTINE DIAGNOSTICS TO KEEP YOUR PUMP HEALTHY

David Kill, PE, Training Consultant, Xylem Goulds Water Technology, St. Paul, MN

5:30 – 7:00

RECEPTION (Cash bar)

Tuesday February 12, 2019

7:30 – 8:30

REGISTRATION

8:30 – 10:00

Session 5

CHALLENGES TO ENSURING SAFE SUSTAINABLE GROUNDWATER SUPPLY IN RURAL AREAS OF CALIFORNIA

Water Supply responsibilities in California extend beyond providing for the needs of the major irrigation industries and the water agencies with large service populations. The more rural areas of the state also have sustainability and water quality issues. As more people are choosing to live in the foothills and in areas away from major urban centers and the reach of pipelines, there needs to be a closer focus on how groundwater professionals can help maintain affordable and safe water supply for small systems and homeowners.

Moderator to be announced

PFAS: WIDE-RANGING SOURCES AND IMPACTS TO CALIFORNIA WATER SUPPLIES

Gregory Schnaar, PhD, Principal Environmental Scientist, Daniel B. Stephens & Associates, Washington, DC

GROUNDWATER MANAGEMENT IN FRACTURED ROCK AQUIFERS SERVING RURAL NEIGHBORHOODS, VINEYARDS, FARMS AND RANCHES

Stephen J. Baker, PG, HG, Hydrogeologist, Living Water® programming, Nevada City, CA

SOLVING WATER SUPPLY CHALLENGES FOR CALIFORNIA'S SMALLER COMMUNITIES

Dan Demoss, Executive Director, California Rural Water Association, Sacramento, CA.

10:00 - 10:30

INVITED PRESENTATION FROM CALIFORNIA'S GROUNDWATER INFORMATION GURU



WHERE AND HOW TO GET INFORMATION:

CALIFORNIA WATER LIBRARY AND THE GROUNDWATER EXCHANGE

Chris Austin, Maven's Notebook, The Groundwater Exchange, California Water Library, Santa Clarita, CA

10:30 – 10:50

BREAK

10:50 – 12:20

Session 6

WATER AGENCY/WATER DISTRICT: COMMUNICATION, OUTREACH AND EDUCATION INITIATIVES

WHY THEY ARE NEEDED AND HOW SUCCESS IS MEASURED

Why do water agencies invest in education programs? What are the benefits from having the customer base understand where their water comes from and how it is delivered? How do agency educators decide on their targets? Is "outreach" different from "education" and is there a dividing line between public relation programs and education? What initiatives are shown to be effective and how can their effectiveness be assessed?

Moderator: Andrew Stone, Executive Director, American Ground Water Trust, Concord, NH

Gina Ayala, Principal Communications Specialist, Orange County Water District, Fountain Valley, CA

Rachel McGuire Communications Manager, Western Municipal Water District, Riverside, CA

Adrian Hightower, Education Unit Manager, Metropolitan Water District, Los Angeles, CA

12:20 – 1:20

LUNCH

1:20 – 2:50

Session 7

GEOPHYSICS AT THE FRESH WATER/SALT WATER INTERFACE OF SOUTHERN CALIFORNIA'S COASTAL AQUIFERS

Coastal groundwater conditions in Southern California range from freshwater discharge off-shore, uncontrolled salt water intrusion through multilayered and faulted aquifer systems, and relic intrusion plumes trapped behind fresh water barrier well systems. Data from electrical resistivity and time domain electromagnetic induction from airborne geophysical investigations can provide valuable information for characterizing and modeling saline/freshwater dynamics at coastal and inland sites.

Moderator – John Jansen, Senior Geophysicist/Hydrogeologist, Collier Consulting, West Bend, WI

GROUNDWATER DISCHARGE & SALT WATER INTRUSION ALONG THE SOUTHERN CALIFORNIA COAST

John Jansen, PhD, PG, PGp, Senior Geophysicist/Hydrogeologist, Collier Consulting, West Bend, WI

AIRBORNE GEOPHYSICAL INVESTIGATIONS OF SALT WATER INTRUSION ALONG COASTAL CALIFORNIA

Theodore Asch, PhD, PGp, Research Geophysicist, Aqua Geo Frameworks, LLC, Lakewood, CO

SALT WATER & FRESH WATER INTERACTION AND AIRBORNE ELECTROMAGNETIC SURVEYING

Max Halkjaer, Hydrogeologist, Geophysicist, Ramboll Group, København S Denmark

2:50 – 3:00

BREAK

3:00 – 4:30

Session 8

SGMA FEE ISSUES:

HOW TO FUND GSA IMPLEMENTATION, GSP PROJECTS ETC. HOW TO AVOID PROP 218 PITFALLS

As GSAs push to meet the upcoming GSP deadline, it is critical not to overlook funding practices. How will your GSA employ its fee authority to fund the GSA and GSP? What are other GSAs doing to guarantee funding is available for GSP implementation? This panel dives into the nuts and bolts of fee setting to ensure your GSA secures both sustainable funding and sustainable groundwater management.

Moderator and panelist:

Jena Acos, JD, Attorney, Brownstein Hyatt Farber Schreck, Santa Barbara, CA

Mack Carlson, JD, Attorney, Brownstein Hyatt Farber Schreck, Santa Barbara, CA

Mark Hildebrand, Principal, Hildebrand Consulting, Oakland, CA

4:30

WRAP-UP, Continuing education sign-out and ADJOURN

↓ Scroll down for registration details ↓

↓ Scroll down for registration details ↓

↓ Scroll down for registration details ↓

REGISTRATION FORM

AGWA/AGWT ANNUAL GROUNDWATER CONFERENCE

Monday and Tuesday, February 11 & 12, 2019

Complete information below and fax to 603 228-6557 or register on-line at www.agwt.org/events		
Early bird payment must be received BEFORE Dec 31, 2018	Two Day Feb 11 AND 12	One Day Feb 11 OR Feb 12
YOU MUST CHECK ONE:→	<input type="checkbox"/>	<input type="checkbox"/> or <input type="checkbox"/>
General Registration BEFORE Dec 31, 2018	<input type="checkbox"/> \$400	<input type="checkbox"/> \$245
AGWT Member BEFORE Dec 31, 2018	<input type="checkbox"/> \$375	<input type="checkbox"/> \$220
General Registration AFTER Dec 31	<input type="checkbox"/> \$440	<input type="checkbox"/> \$245
AGWT Member AFTER Dec 31	<input type="checkbox"/> \$415	<input type="checkbox"/> \$220
Full-Time Student* (ID required at Registration)	<input type="checkbox"/> \$120	<input type="checkbox"/> \$80
Download of presentation ppts (Registrant Price)	<input type="checkbox"/> \$30	
Exhibit Table (personal registration also required)	<input type="checkbox"/> \$300	
Field trip (Feb 13) (Conf registration required; transportation not provided)	<input type="checkbox"/> \$50	
<small>*Registration Includes: access to exhibits, reception, breaks and lunch(s)</small>		
Total for all checked boxes \$		
To be an event sponsor, call AGWT at 800 423-7748 or visit our website, www.agwt.org/events, for more information		

SPEAKER REGISTRATION ONLY:

Speakers receive complimentary registration for the day of their presentation

Speaker Presentation Date Feb 11 Feb 12
 Attending (day not presenting) Feb 11 - \$100 Feb 12 - \$100

Payment Information:

CHECK [payable to: AGWT] AMEX/VISA/MC/Discover PO # _____

AMOUNT AUTHORIZED \$ _____

Name on Card _____

Card No. _____ Expiration Date _____

Cardholder Email _____

Company Name _____

Attendee Name _____

Attendee Email _____

Position/Job Title _____

Address _____

City _____ State _____ Zip _____

Phone _____

REGISTER ONLINE:
agwt.org/events

MAIL TO:
 American Ground Water Trust
 50 Pleasant Street, Suite 2
 Concord, NH 03301-4073


FAX: (603) 228-6557

TEL: (603) 228-5444

? QUESTIONS:
 (800) 423-7748
 9:00-4:00pm (Eastern Time)




REGISTRATION




Early Registration Price ends January 24, 2019.
 To register online click [HERE](#).
 To download a registration form click [HERE](#).
[Bulk Registration](#) is also available!

VENUE & ACCOMODATIONS




SC2019 will take place at the **Sheraton Grand and Sacramento Convention Center**.
[Book your room today!](#) Hotel discount rate deadline is **February 20, 2019**.

EXHIBITORS



Interested in becoming an exhibitor? Only a few booths left! Download the [Exhibitor Pre-Registration form](#). For more information click [HERE](#).


SPONSORS



Sponsor prospectus is now available! Click [HERE](#) to download. Please allow a couple of seconds the document to load as it is a file.

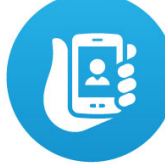


SCHEDULE




Coming soon!

MOBILE APP




More information coming soon!

SPEAKERS



Download the [speaker registration form](#) and get all the [details](#) to be ready for conference!

COMPETITIONS



Sign up to be a part of the [competitions](#). The winners represent CA-NV AWWA at AWWA 2019 in Denver!



Southern California Water Utilities Association

Established in 1932

Next Event: Thursday, January 24, 2019

Climate Change and its Impact on California Water

Presented by Charles Wilson

Executive Director & CEO
Southern California Water Coalition



Charles Wilson serves as Executive Director and CEO of the Southern California Water Coalition (SCWC), a nonprofit, nonpartisan, public education partnership between cities, counties, business, industry, agriculture and water agencies dedicated to securing reliable, affordable, quality water for Southern California. Through measured advocacy, SCWC works to ensure the health and reliability of Southern California's water supply.

Wilson has been a leading public affairs professional in Southern California for more than 30 years and is a recognized leader in the industry. Wilson has spent the past 25 years in the electric utility industry with Southern California Edison. Wilson also serves as principal owner of PC Consulting Services Inc. A consulting firm dedicated to providing strategic counsel, public affairs, government relations and communications to public agencies, private sector business clients and non-profits.

In addition, Wilson also serves as an elected board member of the Santa Margarita Water District where he currently serves as an active and dynamic force in providing leadership to the second largest and fastest growing retail water agency in Orange County.

A graduate of UCLA, Charles earned his BA degree in political science. Wilson also earned his M.A. in Organizational Leadership from Azusa Pacific University.

Charles has been involved in several community activities including the Association of California Water Agencies, Southern California Public Affairs Association Advisory Board, Southern California Building Industry Association, Los Angeles Business Federated, Orange County Business Council, Mission Hospital Foundation, the Knights of Columbus, Constitutional Rights Foundation, Boy Scouts, YMCA, United Way, Red Cross, KOCE TV, Cystic Fibrosis, CORO, the Sigma Chi fraternity and the UCLA alumni association.

Charles and his wife, Pam, live in South Orange County with their daughter.

Date:	Thursday, January 24	Time:	11:30 a.m. to 1:30 p.m.
Where:	Pomona Fairplex Sheraton 601 W McKinley Ave, Pomona	Cost:	\$30.00 – payable at the door

Three Ways to Register

RSVP: By Monday, January 21

- | | | | | | |
|----------|--------------------------------------------------------------------|----------|-------------------------------------------------------------------------------------|----------|----------------------------------------|
| 1 | Online:
www.scwua.org | 2 | Email:
www.facebook.com/scwua | 3 | Phone:
(909) 293-7040 |
|----------|--------------------------------------------------------------------|----------|-------------------------------------------------------------------------------------|----------|----------------------------------------|

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SAN GABRIEL VALLEY WATER ASSOCIATION

Join us for our

Quarterly Meeting (Breakfast)

San Gabriel Valley Quarterly Meeting
Wednesday, February 6, 2019
8:00 a.m.

Pomona Valley Mining Co.
1777 Gillette Road Pomona, CA 91768

MEMBERS

Cities:

Alhambra La Verne
Arcadia Monrovia
Azusa Monterey Park
Baldwin Park Pasadena
Covina Rosemead
El Monte Sierra Madre
Glendora Whittier
Irwindale
Industry Urban-Development Agency

Public Water Districts:

Foothill MWD
La Puente Valley County Water District
Rowland WD
San Gabriel CWD
San Gabriel Valley MWD
Three Valleys MWD
Upper San Gabriel Valley MWD
Valley CWD
Walnut Valley WD

Public Utilities:

Azusa Valley Water Co.
California American Water Co.
Golden State Water Co.
San Gabriel Valley Water Co.
Suburban Water Systems

Mutual Water Companies:

Amarillo Mutual Water Co.
California Domestic Water Co.
Covina Irrigating Co.
Hemlock Mutual Water Co.
Rurban Homes Mutual Water Co.
Sterling Mutual Water Co.
Sunny Slope Water Co.
Valencia Heights Water Co.
Valley View Mutual Water Co.

Private & Industrial Producers:

Hanson Aggregates West, Inc.
Los Angeles County
MillerCoors
Sonoco Products Co.
United Rock Products Corp.
Vulcan Materials Co.
Workman Mill Investment Co.

Consultants/Others:

Aqua Capital Management LP
The B.E.S.T. Meter Co., Inc.
CalMutuals
Civiltec Engineering, Inc.
Integrated Resources Management, Inc.
James Jones Co.
John Robinson Consulting Inc.
Los Angeles County of Public Works
Main San Gabriel Basin Watermaster
Ortega Strategies Group
Partee Insurance Associates
Jeffrey L. Pellissier
R.C. Foster Corp.
Roscoe Moss Co.
Rubio Cañon Land and Water Association
SA Associates
San Gabriel Basin Water Quality Authority
San Gabriel River Water Committee
Stantec
Stetson Engineers Inc.
T.E. Roberts Inc.
Tetra Tech Inc.

Honorary Life Members:

Henri F. Pellissier



Featuring

Tony Estremera

***Chairman of the Board, Delta Conveyance Design & Construction Authority
Santa Clara Valley Water District***

Please join us on Wednesday, February 6th at 8:00 a.m. for the
San Gabriel Valley Water Association's Quarterly Breakfast.

Mr. Estremera will provide an update on the Delta tunnel conveyance system including his perception of the political environment, and what others gain or lose with agriculture's limited participation.

If you plan to join us on February 6th, please register at https://sgvwaquarterly_020619.eventbrite.com, no later than **Thurs. Jan. 31, 2019. The cost of the breakfast is \$30.00 per person.**

WELL 2019 Annual Conference

March 28-29, 2019

Check in

March 28th, 2019 starting at 3pm

Queen Mary Hotel (1126 Queens Hwy, Long Beach, CA 90802)

Reception

March 28th, 2019, 5:30-7:30pm

Hotel Maya (700 Queensway Dr, Long Beach, CA 90802)



YOU'RE INVITED

 A large invitation graphic for the 7th Annual Conference. The background features a photograph of the Queen Mary ship at night. Text on the graphic includes:

- 7th Annual Conference**
- March 28-29, 2019**
- Queen Mary Hotel**
- Long Beach, California**
- Check In:** Queen Mary Hotel, 1126 Queens Hwy, Long Beach, CA 90802
- 5pm Reception at the Hotel Maya, 700 Queensway Dr, Long Beach, CA 90802**
- Phone:** (323) 349-0661
- Email:** victor@latinosforwater.org

 At the bottom, there is a row of logos for partner organizations: Asian & Pacific Islander Caucus, Latino Caucus, National Council of Asian Pacific Americans, League of California Cities African American Caucus, NALEO, and CLLC.

WELL is convening a state-wide educational water conference on March 28-29th, 2019 in Long Beach for California local elected officials. Local elected officials can make a difference for all Californians by taking the necessary steps to understand the dynamic of California water to assure adequate clean water for our communities, protect our natural resources and our local economies. Our hope is to facilitate understanding towards comprehensive long-term water policies that will sustain California's economy and quality of life. We invite you to participate!

Limited Scholarships available for:
City Council Members, Mayors, County Supervisors, and School Board Members.

Discounted Hotel Rates are available for Water Board Officials, Sponsors, and Other.

Call or email for more info!